



INTEGRATED REPORT 2025/26



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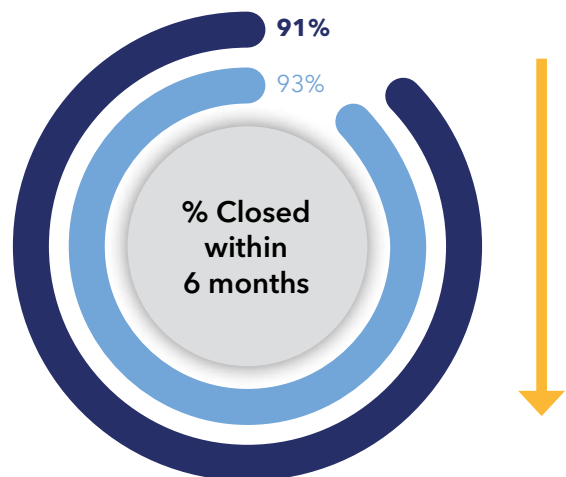
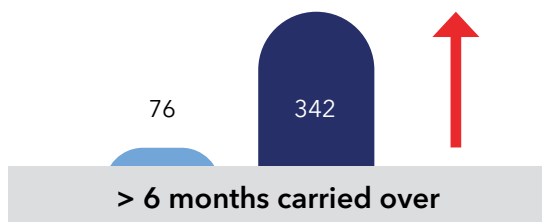
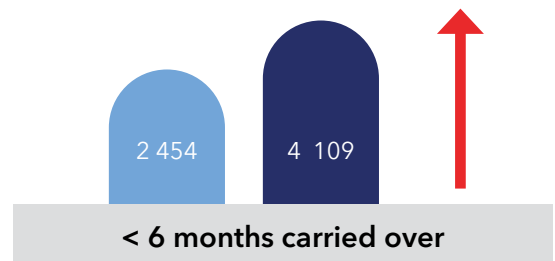
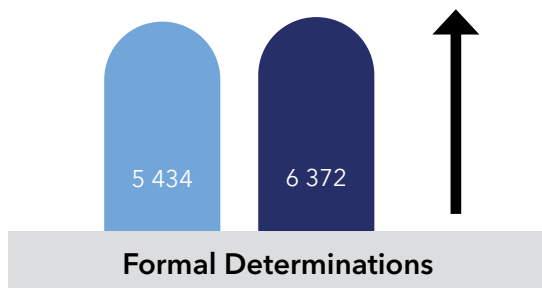
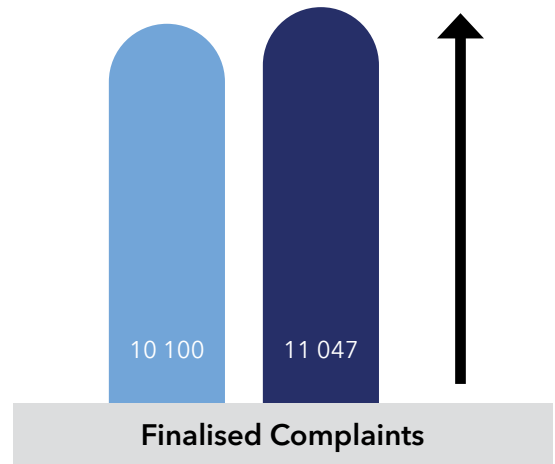
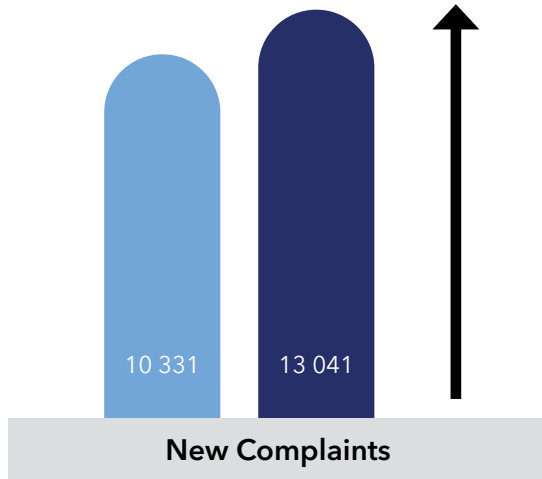
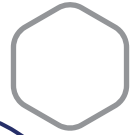
A golden scale of justice is the central focus, with its pans hanging from a central beam. A gavel with a dark wooden handle and a brass head rests on the surface in front of the scale. To the right of the gavel is a clear glass jar filled with various coins, with a small green plant sprouting from the top. The background is a dark, out-of-focus bookshelf filled with books. The entire scene is overlaid with a dark blue, semi-transparent shape that frames the text.

PART A

A small, blue-outlined hexagonal icon is positioned above the section header.

GENERAL INFORMATION

KEY FIGURES



■ 2024/2025 ■ 2025/2026



GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	The Office of the Pension Funds Adjudicator is a Public Finance Management Act 1 of 1999. Schedule 3A public entity and statutory body established in terms of section 30B of the Pension Funds Act 24 of 1956.
Nature of business and principal activities	The mandate of the OPFA is to dispose of complaints lodged in terms of the Pension Funds Act 24 of 1956, as amended, in a procedurally fair, economical and expeditious manner.
Registered office	Block A, 4th Floor, Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Pretoria, 0081
Bankers	Standard Bank of South Africa Limited South African Reserve Bank
Website	www.pfa.org.za
E-mail address	enquiries@pfa.org.za
Telephone	012 748 4000
Auditors	Auditor-General South Africa P O Box 446 Pretoria 0001 012 426 8000

LIST OF ABBREVIATIONS



AA	Accounting Authority	NT	National Treasury
ACT	Pension Funds Act 24 of 1956	NCU	New Complaints Unit
AGSA	Auditor-General South Africa	OC	Ombud Council
CM	Case Management	OPFA	Office of the Pension Funds Adjudicator
COFI Bill	Conduct of Financial Institutions Bill	PAA	Public Audit Act 25 of 2004
CPD Act	Corporation for Public Deposits Act 46 of 1984	PFA	Pension Funds Adjudicator
DPFA	Deputy Pension Funds Adjudicator	PFMA	Public Finance Management Act 1 of 1999
EHCS & CFO	Executive Head Corporate Services and Chief Financial Officer	POPIA	Protection of Personal Information Act 4 of 2013
EXCO	Executive Committee	RLAB	Revenue Laws Amendment Bill 2023
ERU	Early Resolution Unit	SAA	Senior Assistant Adjudicator
FAIS Ombud	Office of the Ombud for Financial Services Providers	SARB	South African Reserve Bank
FSCA	Financial Sector Conduct Authority		
FSR Act	Financial Sector Regulation Act 9 of 2017		
FST	Financial Services Tribunal		
GRAP	Generally Recognised Accounting Practice		
ICT	Information and Communication Technology		
King V	King V Report on Corporate Governance for South Africa		
Levies Act	Financial Sector and Deposit Insurance Levies Act 11 of 2022		
MANCO	Management Committee		
NFOSA	National Financial Ombud Scheme South Africa		

FOREWORD BY THE MINISTER OF FINANCE



Mr E Godongwana
Minister of Finance

It gives me great pleasure to present the Integrated Annual Report of the Office of the Pension Funds Adjudicator for the 2025/26 financial year.

During the period under review, the government continued to advance its three priorities: driving inclusive growth and job creation; reducing poverty and the high cost of living; and building a capable and developmental state. Within this context, social protection remains an important key policy priority, particularly at a time when many households continue to face financial pressures while the economy undergoes important structural reforms.

The implementation of the two-pot retirement system in September 2024 was a significant retirement reform, aimed at balancing members' short-term financial needs with long-term retirement preservation. While the reform created important opportunities, it also exposed governance, administration and operational challenges in some areas of the retirement fund sector, contributing to an unprecedented increase in complaints to the OPFA and reaffirming the need for an accessible, independent and trusted dispute-resolution institution.

The OPFA remains an integral component of the country's financial consumer protection framework. Through its statutory mandate, the OPFA provides retirement fund members and beneficiaries with access to a fair, efficient and cost-effective mechanism for resolving disputes. During the 2025/26 financial year, the OPFA received a record 13,041 complaints, representing a 26% increase compared to the previous year and a 39% increase from the 10-year average of 9,411 complaints. This increase reflects both heightened public awareness of the OPFA's services and increased retirement fund activity arising from withdrawals under the two-pot system during a period of continued economic pressure. Despite these significant volumes, the OPFA demonstrated remarkable resilience and operational effectiveness, finalising 91% of cases within six months.

A continuing area of concern remains complaints relating to non-compliance with section 13A of the Pension Funds Act, where employers fail to pay over retirement fund contributions deducted from employees' remuneration. Such conduct undermines confidence in the retirement fund system and compromises the important social protection objectives that retirement savings are intended to serve. I welcome the actions taken by the Department of Employment and Labour to address certain weaknesses in the legislative framework through the withdrawal of section 34A exemption under

the Basic Conditions of Employment Act, which previously excluded retirement fund contributions from the mandatory payment requirement within a prescribed timeframe. These changes strengthen employer accountability and reinforce the obligation to safeguard workers' retirement savings. Retirement fund boards of trustees, acting in accordance with their fiduciary duties, must continue to utilise the available legal mechanisms to hold non-compliant employers accountable and to protect the interests of fund members.

...the OPFA demonstrated remarkable resilience and operational effectiveness, finalising 91% of cases within six months.

The broader financial sector reform agenda also continued to gain momentum during the year. Cabinet approved the Conduct of Financial Institutions (COFI) Bill, 2025, for submission to Parliament, marking a significant milestone in implementing government's Twin Peaks reforms. The Bill seeks to establish a single, comprehensive market conduct framework for financial institutions and will further strengthen consumer protection, enhance market integrity and promote fair customer outcomes across the financial sector.

Within the retirement funds industry, the COFI Bill is expected to support a more customer-centric regulatory environment, advance transformation objectives through alignment with the Financial Sector Code, and encourage innovation, market development and competition through a more flexible licensing framework that accommodates new

entrants, including financial technology providers. Equally important are ongoing developments within South Africa's broader financial sector dispute resolution framework. The establishment of the Financial Services Tribunal as an accessible, fee-free appeals mechanism and the Ombud Council as the regulator of financial sector ombud schemes represent significant progress in strengthening accountability, accessibility and public confidence. The Ombud Council's mandate to promote a fair, accessible, independent, effective and trusted ombud system is particularly important in ensuring that financial consumers receive appropriate protection and recourse. Together, these reforms strengthen the foundations for improved 'Treating Customers Fairly' outcomes in relation to retirement fund products and services.

In closing, I wish to convey my sincere appreciation to the former Adjudicator, Ms Muvhango Lukhaimane, who concluded her tenure in January 2026 after twelve years of distinguished service. Her leadership and unwavering commitment to consumer protection and institutional excellence have left a legacy not only for the OPFA but for South Africa's retirement fund sector as a whole.

I also extend a warm welcome to the newly appointed Adjudicator, Mr Lebogang Mogashoa. I wish him every success in this important responsibility as he leads the institution into its next chapter. I am confident that, under his leadership, the OPFA will continue to strengthen access to justice, enhance consumer protection and foster greater public confidence in South Africa's retirement savings system.



Enoch Godongwana, MP

MINISTER OF FINANCE

Date: 11 August 2026

MESSAGE FROM THE PENSION FUNDS ADJUDICATOR



Mr LP Mogashoa
Pension Funds Adjudicator

Building a Trusted, Accessible and Future-Ready Ombud Institution.

The reporting period represents a significant phase in the continued development of the OPFA as an independent, accessible and credible dispute-resolution institution within South Africa's retirement funds framework. Operating in an environment characterised by regulatory reform, rising demand for services and heightened stakeholder expectations, the OPFA has remained focused on the effective discharge of its statutory mandate: to resolve complaints in a procedurally fair, economical and expeditious manner.

This mandate is rooted in the constitutional principle of access to justice and positions the OPFA as an important safeguard for the rights of retirement fund members and beneficiaries. The organisation's role

extends beyond the resolution of individual disputes and contributes to strengthening governance, reinforcing accountability and maintaining confidence in the retirement funds system.

The OPFA concluded the 2025/26 financial year in a position of strength, resilience and purpose despite operating under conditions of sustained demand. The Office received 13,041 new complaints, the highest annual intake recorded since its establishment. This represents a 26% increase from the 10,331 complaints received in the previous financial year and surpasses the previous record of 11,399 complaints recorded in 2018/19. The increase in complaints was primarily driven by the continued impact of the two-pot retirement system, enhanced stakeholder management initiatives undertaken by the OPFA, and prevailing weak economic conditions. These factors contributed to increased reliance on the OPFA as an accessible and trusted forum for the resolution of retirement fund disputes and highlighted persistent challenges within the retirement funds sector.

Despite the significant increase in complaints received, the OPFA maintained a disciplined focus on throughput, efficiency and fairness. The Office demonstrated its effectiveness by investigating and finalising 11,047 complaints during the year under review, the highest number of matters finalised in a single reporting period since the establishment of the Office. The FST received 104 applications for reconsideration of OPFA determinations during the year under review. Of these, 63 applications were dismissed, thereby upholding the OPFA's decisions.

The level of demand continues to exert pressure on operational capacity and underscores the importance of ongoing process optimisation, strengthened case management disciplines and accelerated digital enablement. It also highlights the need for improved responsiveness across the retirement funds industry, particularly with regard to the timely submission

of information and effective participation in the adjudication process.

The operating context was further shaped by key regulatory developments. While this reform provides greater flexibility for members, it has also brought into sharper focus ongoing systemic concerns, including non-compliance with section 13A of the ACT. Failures by some employers to remit deducted contributions remain of material concern given their direct impact on retirement savings and associated risk benefits.



The organisation continues to pursue its vision of a trusted, accessible and digitally enabled Ombud institution that delivers fair and timely outcomes while contributing to improved conduct across the retirement funds sector.



Against this backdrop, the OPFA's strategic direction remains deliberate and forward-looking. The organisation continues to pursue its vision of a trusted, accessible and digitally enabled Ombud institution that delivers fair and timely outcomes while contributing to improved conduct across the retirement funds sector. This reflects a progression from a predominantly reactive model toward a more proactive and insight-driven institution.

This strategic intent is supported by clearly defined outcomes: timely and fair complaint resolution; a seamless and transparent customer experience; improved industry conduct; a capable and high-performing workforce; and strengthened institutional

trust, credibility and governance. Together, these priorities position the OPFA to respond effectively to demand while enhancing its broader systemic contribution.

Digital transformation remains central to this trajectory. The organisation continues to prioritise modernisation initiatives aimed at improving accessibility, strengthening operational resilience and enhancing service delivery. These include the adoption of cloud-based infrastructure, the development of data and analytics capabilities, and the use of technology to streamline complaint-handling processes. These initiatives support both operational efficiency and a more responsive stakeholder experience.

Accessibility remains a defining principle of the OPFA's approach. The organisation recognises that many complainants face structural and informational barriers in engaging with retirement fund processes. In response, efforts continue to strengthen stakeholder education, simplify communication and expand outreach initiatives, with a focus on ensuring that services are available through both digital and non-digital channels.

The evolving financial ombud landscape presents both opportunity and complexity. Ongoing reform processes are expected to influence aspects of the OPFA's mandate and its interaction with other ombud schemes. These developments require careful implementation, with a focus on maintaining service quality, enhancing coordination and ensuring continued accessibility.

The funding environment remains an important strategic consideration. While the levy-based funding model enhances institutional independence, uncertainties in levy approval processes necessitate prudent financial management and ongoing engagement with relevant stakeholders. The organisation remains focused on sustainability and the effective utilisation of resources in support of its mandate.

Governance remains a central pillar of the OPFA's institutional credibility. The organisation operates within a structured framework supported by executive management and independent oversight

committees responsible for audit, risk, remuneration, human resources and ethics. These structures enable accountability, reinforce compliance and support sound decision-making.

Risk management practices have continued to mature, with an emphasis on proactive identification and mitigation of key risks. The organisation maintains a zero-tolerance approach to fraud and misconduct and continues to embed ethical conduct and accountability across all levels.

The OPFA's ability to deliver on its mandate is fundamentally dependent on its people. The organisation continues to prioritise the development and retention of specialised skills while fostering a high-performance and values-driven culture. This remains critical as the operating environment becomes more complex and service demands increase.

Looking ahead, the OPFA will continue to strengthen its core adjudication function while enhancing its systemic contribution to the retirement funds sector. This includes the use of data and insights to identify recurring issues, support policy development and promote improved industry conduct. The organisation is committed to evolving into an institution that not only resolves disputes, but also contributes to their prevention.

Notwithstanding a demanding operating environment, the OPFA delivered a number of key achievements during the reporting period. The organisation managed increased complaint volumes while maintaining throughput and adherence to turnaround standards. Risk management practices were strengthened through the full implementation of planned activities and the maintenance of a high level of organisational maturity. Progress was made in advancing the strategic transformation agenda, including digital modernisation, process optimisation and strengthened governance structures. The organisation also sustained a zero-tolerance approach to fraud and misconduct, enhanced stakeholder engagement initiatives and maintained a consistent focus on service quality and institutional credibility. Collectively, these outcomes reflect an organisation that is resilient, responsive and strategically focused.

During the reporting period, the OPFA experienced a leadership transition following the departure of the

previous Pension Funds Adjudicator, Ms Muvhango Lukhaimane. I wish to acknowledge and thank Ms Lukhaimane for her strong leadership and significant contribution to advancing the organisation's mandate during her tenure. Under her stewardship, the OPFA strengthened its institutional capacity and reinforced its role within the retirement funds adjudication framework, establishing a solid foundation for continued progress. As I assume this role, I do so with a clear appreciation of the responsibilities it entails and the expectations placed on the institution. I am encouraged by the organisation's strategic direction and the commitment of its employees and stakeholders, and I look forward to leading the next phase of its development with a focus on continuity, institutional strengthening and measurable outcomes. This leadership transition provides an opportunity to build on established foundations while advancing the OPFA's strategic priorities of strengthened service delivery, enhanced accessibility and a more proactive, digitally enabled Ombud institution.

I extend my appreciation to the OPFA's employees, governance structures and stakeholders for their continued support and contribution. I also acknowledge the ongoing support and collaboration of the National Treasury, the Minister of Finance, the Financial Sector Conduct Authority, Ombud Council, and other key stakeholders, whose partnership remains important to the effective functioning of the OPFA and the broader retirement funds system. Their continued engagement contributes meaningfully to strengthening regulatory coherence, institutional effectiveness and public confidence.

The OPFA remains committed to independence, fairness, professionalism and accountability. The organisation will continue to strengthen its role as a trusted and accessible institution, responsive to the needs of the public and aligned with the evolving demands of the retirement funds environment.



Mr LP Mogashoa

Pension Funds Adjudicator – Accounting Authority

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE INTEGRATED REPORT



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

All information and amounts disclosed in the integrated annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa. The report is complete, accurate and is free from any omissions. The integrated annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury and the international Integrated Reporting Framework.

The annual financial statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity. The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

Yours faithfully

Mr LP Mogashoa

Pension Funds Adjudicator - Accounting Authority

Date: 31 August 2026

BASIS OF PREPARATION FOR THE INTEGRATED REPORT

BASIS OF PRESENTATION

In accordance with section 55 of the PFMA, the accounting authority of a public entity must submit within five months of the end of a financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General:

- (i) an annual report on the activities of that public entity during that financial year;
- (ii) the financial statements for that financial year after the statements have been audited; and
- (iii) the report of the auditors on those statements.

This integrated annual report is prepared according to the guidelines of the International Integrated Reporting Framework issued by the International Integrated Reporting Council and the annual report guidelines issued by the National Treasury. The scope of this integrated annual report focuses on how the OPFA has created value for its relevant stakeholders, with particular emphasis on pension fund members, the most vulnerable stakeholders in the dispute resolution process. This report focuses on the efficiency and procedural fairness of the process for disposing of complaints lodged with the OPFA, and on how the six capitals were integrated to ensure the OPFA's service delivery mandate is achieved with the desired impact.

MATERIALITY FRAMEWORK

What is considered material for reporting purposes is informed by the mandate of the OPFA, which is the disposal of complaints in a procedurally fair, expeditious, and economical manner. The focus of this report is on the value created during the year under review. It includes an assessment of changes in the external environment, such as the two-pot system and legislative initiatives that affect the OPFA's mandate. It also looks at key risks and opportunities, and strategic responses that affect the complaints management process in the medium term, covering a rolling five-year period. Furthermore, as a public entity governed by the PFMA, factors that have a material financial impact and/or indicate a significant non-compliance with relevant laws and regulations are disclosed in the annual financial statements. This is based on the materiality and significance framework approved by the Minister of Finance.







PART B



STRATEGY, VALUE-CREATION AND GOVERNANCE

ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



ORGANISATIONAL OVERVIEW

The OPFA was established in terms of ACT as amended, to dispose of pension fund-related complaints lodged in terms of the ACT and complaints designated to the PFA in terms of section 211 of the FSR Act. The main objective of the OPFA is to ensure that the rights of consumers of pension products and services are protected, and they are treated fairly within the prescripts of the law

LEGISLATIVE AND POLICY MANDATES

The primary legislation relevant to OPFA for the purposes of discharging its mandate include:

- Pension Funds Act 24 of 1956, as amended.
- Financial Sector Regulation Act 9 of 2017.
- Public Financial Management Act 1 of 1999.
- Financial Sector and Deposit Insurance Levies Act 11 of 2022.

The OPFA is a PFMA Schedule 3A public entity established in terms of section 30B of the ACT with effect from 1 January 1998, to investigate and determine complaints lodged in terms of the ACT and those designated to the PFA in terms of the FSR Act. Section 30D of the ACT requires that the PFA in disposing complaints:

- Applies, where appropriate, principles of equity;
- Has regard to the contractual arrangement or other legal relationship between complainants and any financial institution;
- Has regard to the provisions of the ACT; and
- Acts in a procedurally fair, economical and expeditious manner.

The planned policy changes that affect the OPFA's mandate and its operations are evaluated under the external environment analysis section below.

The OPFA is guided by its legal mandate and is committed to achieving its strategic goals and contributing to social protection of consumers of pension products and services by:

- Being a trusted, independent and impartial PFA;
- Being an organisation that leads by example and is committed to service excellence;
- Providing access to complainants;
- Creating awareness on the role of the OPFA, and educating and informing consumers of their rights; and
- Establishing meaningful and collaborative relationships with relevant stakeholders.



EXCO

Left to right: Naheem Essop, Lebogang Mogashoa and Bulelani Makunga

STRATEGIC OBJECTIVES AND DESIRED OUTCOMES



STRATEGIC INTENT

The OPFA's strategic intent is to build trust and accessibility in the retirement fund dispute resolution process, ensuring all stakeholders experience transparent, impartial, and efficient adjudication. By striving for excellence in service delivery, the OPFA aims to bolster public confidence in the retirement system and solidify its role as a respected player in retirement fund dispute resolution.

STRATEGIC PRIORITIES 2025-30

Our strategic priorities for the 2025-30 period are:

- Achieve excellence in the disposal of complaints according to ACT by leveraging advanced technologies and optimising processes.
- Raise awareness on the OPFA's mandate and improve accessibility through targeted stakeholder engagement.
- Position the OPFA as an employer of choice.
- Maintain commitment to good governance and clean administration.

OUTCOMES:

- Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT.
- Optimisation of ICT systems to meet OPFA's dynamic service delivery requirements.
- Increase the OPFA's physical and digital footprint within South Africa to enable complainants to lodge complaints despite geographical locations.
- Enhance OPFA's visibility and stakeholder engagement through impactful awareness programmes and meaningful collaborations.
- Attract and retain a qualified and skilled workforce to execute the mandate.
- Maintain clean administration outcomes.

EXTERNAL ENVIRONMENT ANALYSIS AND LEGISLATIVE CHANGES

FINANCIAL OMBUD SYSTEM REVIEW

The OPFA continues to monitor the implementation of National Treasury's policy position set out in *"A Simpler, Stronger Financial Sector Ombud System"*. In terms of that policy position, the reformed ombud system is expected to comprise the NFOSA, which will be independent from industry and government, a reformed RFO and a modified OC. These reforms will require legislative amendments, which are expected to be effected through a Financial Ombud System Amendment Bill that is still under consideration and development. The Bill, amongst other things, is intended to support the revised and enhanced role of the OC, the establishment and effective functioning of the NFOSA, and improved coordination and cooperation between ombud schemes. It further seeks to strengthen the financial ombud system by promoting effective complaint handling, jurisdictional arrangements, information sharing, and the fair, independent and efficient resolution of financial-sector complaints.

In the interim, certain developments have already taken place, including the voluntary amalgamation, on 1 March 2024, of four previously separate industry ombud schemes, namely the Banking, Credit, Long Term Insurance and Short-Term Insurance Ombuds.

The OPFA remains separate from the NFOSA as the National Treasury considers the transition of the OPFA to the NFOSA complex at this stage. This will be reconsidered at a later stage, once the NFOSA arrangement has stabilised. Despite the OPFA remaining separate from the NFOSA, collaboration with the NFOSA remains vital to enhance awareness, accessibility and improved overall effectiveness of the ombud system.

COFI BILL AND PROPOSED AMENDMENTS TO OPFA'S MANDATE

During Cabinet meetings held earlier in the year under review, Cabinet approved the submission of the COFI Bill to Parliament. The COFI Bill proposes other significant amendments that affect the OPFA's mandate. The proposed consequential

amendments to the FSR Act, to be effected through the COFI Bill, will rename the Adjudicator to the RFO and the ACT to "Retirement Funds Act". It is also proposed that Chapter VA of the ACT (which established the OPFA), be imported into the FSR Act. These proposed changes once implemented will present an opportunity for rebranding and an increased awareness campaign for the OPFA. Firstly, the proposed amendment seeks to carry over the current requirements set out in the current definition of complaint. Secondly, the proposed definition of "complaint" includes a requirement to accept oral complaints. In its comments to the National Treasury, the OPFA expressed concerns that complaints might not be captured correctly, leading to uncertainty and potential delays in finalising them. There will also be financial implications, as oral complaints will require independent transcription to ensure accurate records should the matter be reviewed or appealed, and costs of additional storage for recordings. This will naturally necessitate upskilling of staff to handle the new types of complaints that may be received.

Thirdly, the amendments to the COFI Bill will further expand the definition of "retirement fund" to include public sector retirement funds, thereby expanding the RFO's jurisdiction to address public sector fund complaints. This positive step will enhance the accessibility and consistency of the ombud system.

Fourthly, in the recent draft of the COFI Bill issued by the National Treasury for comment, the OPFA took up the opportunity to submit comments. In that draft, there was a proposal made pertaining to section 37C of the ACT which deals with the manner in which death benefits in a pension fund should be disposed of. In the OPFA comments, concerns were raised, and it was accordingly proposed that a full consultation process takes place which must include workshops held with relevant stakeholders in the retirement funds industry before amendments to section 37C are effected. If the proposal is accepted by National Treasury, this will present an opportunity for the OPFA to engage meaningfully with the relevant stakeholders on appropriate ways in which the issues pertaining to section 37C of the ACT can be addressed.

Lastly, all conduct issues will be exported from the ACT into the COFI Bill as an overarching piece of legislation that applies to the conduct of all financial institutions, including retirement funds. The sectoral legislations that currently exist are expected to be repealed either in whole or in part.

It is also expected that the prudential issues relating to the financial soundness of retirement funds will remain within the ACT. Conduct issues pertaining to specific types of financial institutions are expected to be addressed in conduct standards issued by the FSCA.

The latest update from National Treasury is that the COFI Bill is currently with the State Law Advisers for scrutiny and certification. It is expected to be introduced in Parliament in August 2026. Once tabled, the Bill will become a public document and will proceed to the Standing Committee on Finance and the National Council of Provinces.

CHANGES IN FUNDING MODEL AND GOVERNANCE REQUIREMENTS

The Levies Act and certain provisions of the FSR Act that amend the ACT commenced on 24 March 2023, changing the OPFA's funding model to one based on levies imposed on the retirement fund industry, that are aligned with a budget submitted and approved by the Minister of Finance.

The recent legislative amendments have introduced a more consultative levy approval process involving Parliament through the National Treasury before final levies are gazetted. While this has extended approval timelines and created some revenue-planning pressure, the OPFA continues to manage these risks proactively through prudent financial planning, stakeholder engagement and careful prioritisation of operational and capital requirements. The new funding model, which is linked to registered pension fund membership numbers, will require ongoing monitoring to ensure it remains responsive to changing demand, including periods of increased complaints activity, while supporting the OPFA's continued delivery of its mandate. The details about the new funding model are discussed on page 28.

LABOUR LAWS AMENDMENT BILL, 2025 AND WITHDRAWAL OF EXEMPTION IN SECTION 34A OF BCEA

On 8 January 2026, the Minister of Labour withdrew the exemption that previously excluded employers and employees from the application of Section 34A of the BCEA in respect of contributions to benefit funds governed by the Pension Funds Act. As a result of the withdrawal of the exemption, labour inspectors are now empowered to enforce compliance with Section 34A of the BCEA. This provision requires:

- Contributions deducted from employees to be paid to the fund within 7 days of deduction.
- Employer contributions to benefit funds (not deducted from employees' remuneration) to be paid within 7 days after the end of the relevant period.

The OPFA provided input on this change during the comment process on the Labour Laws Amendment Bill and highlighted the misalignment and inconsistency in the time frames within which contributions deducted from employees' salaries must be remitted to the fund. This could result in employers being compliant in terms of the ACT while simultaneously being in breach of the BCEA. This could create practical and legal uncertainty for employers in respect of their obligations in terms of the ACT.

On 26 February 2026, the Labour Law Amendment Bill, 2025, was published for public comment. This bill proposes, amongst other things, the conferral of powers on the Commission for Conciliation, Mediation and Arbitration ("CCMA"), Labour Court, and bargaining councils to issue awards against employers who fail to comply with section 13A of the ACT. Such awards may include orders for payment of outstanding contributions together with applicable interest.

The OPFA submitted comments to the Labour Department on the Labour Laws Amendment Bill. The OPFA's comments focused on addressing the challenges posed by non payment of pension contributions by employers and emphasised the need to strengthen existing mechanisms in terms of the

Act, rather than introducing overlapping jurisdictions with the CCMA. In addition, the OPFA highlighted concerns regarding potential jurisdictional overlaps, forum shopping, and inconsistencies that could arise from the proposed amendments.

CONDUCT STANDARDS

The publication of Conduct Standards under both the FSR Act and the COFI Bill will also form part of the legislative framework that retirement funds will be expected to abide by. Naturally, these are also likely to form the basis of complaints received by the OPFA. Draft Conduct Standards for comment are usually published on the FSCA website, and a period of at least 30 days is allowed for comment. In the past, the FSCA published a Conduct Standard, the FSCA Conduct Standard 1 of 2022 (RF) – Requirements related to the payment of pension contributions, which was published on 19 August 2022. The requirements of the Conduct Standard are being applied by the Adjudicator when adjudicating complaints related to section 13A of the Act.

On 6 August 2025, the FSCA published Conduct Standard 2 of 2025 – on the Conditions Prescribed In Respect of Pension Fund Benefit Administrators. This Conduct Standard repeals Board Notice 24 of 2002. The Conduct Standard, amongst other things, promotes fair treatment of customers in line with the Treating Customers Fairly principles. This Conduct Standard also outlines the requirements for Section 13B Administrators to establish a complaints management framework. This includes maintaining records of all complaints, including those submitted to the PFA. These requirements are aimed at improving customer outcomes and ensuring fair treatment in the delivery of services by the administrator.

PROTECTION OF PERSONAL INFORMATION ACT NO 4 OF 2013 (POPIA)

The OPFA adopted policies to comply with POPIA, which continue to be reviewed to ensure ongoing compliance. The OPFA embarked on a readiness project since August 2020 and held training and awareness sessions for all staff members, which continue to be held on an ongoing basis. The

Adjudicator was registered as the Information Officer and the Senior Legal Advisor as a Deputy Information Officer within the prescribed timelines. The ICT Senior Manager is also registered as Deputy Information Officer to ensure diversity in expertise. The Executive Head of Corporate Services and Chief Financial Officer have been appointed as an additional Deputy Information Officer and delegated the authority to make decisions in the absence of the Information Officer. The OPFA has engaged with the Information Regulator, which confirmed its satisfaction with the OPFA's complaints handling processes.

TWO-POT RETIREMENT SYSTEM

The two-pot retirement system, which came into effect on 1 September 2024, has offered financial relief to numerous retirement fund members by enabling access to a portion of their savings. Many have already made withdrawals and continue to utilise this option.

The OPFA experienced an increase in complaints following the implementation of the two-pot system. In response, measures were implemented to strengthen operational capacity and ensure effective handling of these complaints.

Staff training on the two-pot system is ongoing to maintain a high standard of complaint resolution. One of the foreseeable challenges under the two-pot retirement system is the potential increase in future complaints from members seeking access to their retirement component prior to reaching retirement age, which is prohibited by current legislation. In response to concerns around financial hardship, National Treasury has indicated that Phase 2 of the two-pot system may explore conditional access to the retirement component for retrenched members who have no other source of income.

It remains essential for retirement funds to continue communicating the implications of withdrawing from the savings component, tax consequences and preservation requirements of the retirement component to ensure that members are fully informed and able to make responsible financial decisions.

OMBUD COUNCIL RULES FOR THE PENSION FUNDS ADJUDICATOR

The OC was established in terms of the FSR Act and acts as a regulator of ombud schemes, and the OPFA is subject to such regulation. Section 201(1) FSR Act empowers the OC to make rules relating to ombud schemes, which are binding subordinate legislation. The OC published the Ombud Council Rules for the Pension Funds Adjudicator (“the Rules”) on 4 March 2026 and, to support effective implementation, provided for staggered commencement dates for certain provisions, with some rules taking immediate effect on publication and others coming into effect on 1 October 2026 and 1 April 2027.

The Rules set out procedures governing the OPFA’s complaint-handling process, with the aim of promoting efficiency, effectiveness, fairness, and transparency in all related processes. Some of the rules largely formalise the OPFA’s existing practices and also incorporate certain provisions already contained in the ACT.

Key implications include the need to consider conciliation at the outset and throughout the complaint process, strengthen communication with parties on their rights and obligations, proceed with complaints where parties fail to respond, and report material contraventions to the FSCA. The Rules also provide for cost awards in appropriate cases and clarify that determinations issued under section 30M cannot be rescinded by the Adjudicator.

The Rules support greater fairness, transparency and accountability in the complaint resolution process. Their effective implementation will, however, require the OPFA to allocate appropriate resources, strengthen internal processes and put in place mechanisms to ensure ongoing compliance with the new requirements. The OPFA has implemented the Rules that have already commenced and continues to prepare for the phased implementation of the remaining provisions.

EFFECTIVE STAKEHOLDER ENGAGEMENT

The OPFA intends to develop a retirement fund educational toolkit that will assist in simplifying complex financial concepts and make them easy to understand for pension fund members. To ensure broader accessibility, the toolkit will be made available on digital platforms, interactive software, and visual aids. One of the objectives of the toolkit is to raise awareness about member and employer obligations.

Members have a responsibility to actively manage their participation in retirement funds. This includes checking the payslips to confirm their retirement fund contributions, knowing the specific retirement fund they belong to, ensuring that their beneficiary details are up to date, and reviewing their benefit statement promptly upon receipt. Employers and retirement fund administrators have a responsibility to actively inform their employees and members of their pension fund performance and contributions. Employer obligations include confirmation of the retirement scheme, timely transfer of contributions to retirement schemes and provide updates on significant retirement fund changes.

The OPFA intends to build strategic partnerships with key industry institutions, civic organisations and Non-Governmental Organisations (NGOs) across the country. The objective is to gain access to database and populations of these organisations to promote the OPFA educational awareness and outreach programmes. This will contribute towards the expansion of the OPFA footprint.

The OPFA will strengthen stakeholder relations with the current partners by organising and actively participating in common awareness campaigns and outreach programmes. One of the objectives of the toolkit is to raise awareness about member and employer obligations.

INTERNAL ENVIRONMENT

PERFORMANCE ENVIRONMENT

The OPFA has jurisdiction over complaints of over 10 million active members of pension funds in privately administered and underwritten retirement funds registered in terms of the ACT. This environment has a majority of unskilled and low-skilled employees that are accommodated in large industrial sector funds or umbrella funds. There is a prevalence of non-compliance with the payment of contributions as required by section 13A of the ACT across the board.

The Financial Services Tribunal (FST) received 104 applications for reconsideration of OPFA determinations during the year under review. Of these, 63 applications were dismissed, thereby upholding the OPFA's decisions. The Tribunal remitted 25 matters to the OPFA for reconsideration, comprising eight (8) matters based on new facts and 17 matters based on the same facts. These outcomes continue to demonstrate the robustness of the OPFA's decision-making processes and the soundness of its determinations.

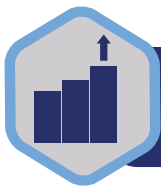
The majority of complaints finalised, constituting an aggregate of 84%, relate to withdrawal benefits and non-compliance with section 13A of the ACT on non-payment of contributions by employers. This is concerning as it not only affects the members' retirement savings but other risk benefits that are dependent on timeous payment of premiums to third parties such as death benefits, disability benefits and funeral benefits, leaving members further vulnerable at times of great need. The recurrence of these issues and the high number of complaints remain of great concern and stakeholders are constantly urged to remediate this undesirable result of poor fund governance, management, and administration. This also undermines government's efforts to improve trust, coverage and adequacy through preservation and sustainability of the retirement funds system.

Despite delays caused by funds exceeding the prescribed 30-day response period, the OPFA successfully finalised 91% of cases within six months. This behaviour puts strain on the organisational capacity as multiple reminders are sent to parties to file responses on matters that are mostly straightforward. The stability in the management team assisted in navigating a difficult operating environment.

The effectiveness of the OPFA to meet its mandate should be measured against the backdrop of applicable regulatory prescripts. The operational efficiency of the organisation is impacted by the relationship and response rate of key stakeholders as required by regulatory prescripts. The critical stakeholders that influence our operational efficiency in resolving complaints are the following:

- members/complainants
- retirement funds
- administrators
- employers
- value chain providers i.e. actuaries,
- asset managers, life insurers; and
- FSCA as the regulator of retirement funds.

The current environment presents the following opportunities and threats:



OPPORTUNITIES

Stakeholder relations

- Hybrid model with increased digital interaction with stakeholders.
- OPFA continuously demonstrates how to operate a public entity with ethical leadership and credible governance.
- Leverage goodwill of stakeholders to improve on response times.
- Develop proactive training programmes for pension fund administrators and board members to reduce complaints.
- Enhance relationships with media and increased use of channels that reach scattered areas.
- Participate in legislative reform discussions.
- Conduct public education about OPFA determinations.
- Establish partnerships with other Ombuds, state institutions and consumer bodies.

Operational efficiencies

- Invest and maximise on IT capabilities.
- Promote use of website and emails to lodge complaints.



THREATS

Human resources

- Training requirements for OPFA staff on implementation of extended mandate and amended definition of a "complaint".
- Change management from amalgamation with public pensions ombudsmen.

Operational efficiencies

- Increased complaints due to teething problems of Two-pot system.
- Cost implications of rebranding, extended mandate and amalgamation with public pensions ombudsmen.

Stakeholder relations

- Office access to complainants across provinces due to single location in Gauteng.
- Continuous avoidable non-compliance by some pension funds may undermine public confidence and trust in the office and industry.
- Branding and awareness requirements for new entity name and trust in the office and industry.

The OPFA considers the emerging opportunities and threats within its capability to respond effectively. The organisation will reposition its stakeholder engagement strategy to respond to its current challenges of misconduct by specific pension funds and enhance its media relations.

STRATEGY OVERVIEW

A. OUR STRATEGIC FRAMEWORK



OUR CONSTITUTIONAL MANDATE:

Section 34 of the Constitution of the Republic of South Africa, 1996:

"Everyone has the right to have any dispute that the application of law can resolve decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum."



OUR LEGAL MANDATE:

Section 30D of the Pension Funds Act 24 of 1956:

The main object of the Adjudicator shall be to dispose of complaints lodged in terms of section 30A(3) of this ACT, and complaints designated to the Adjudicator in terms of section 211 of the FSR Act. In disposing of complaints the Adjudicator must:



- apply, where appropriate, principles of equity;



- have regard to the contractual arrangements or other legal relationships between complainants and any financial institution;



- have regard to the provisions of the ACT; and



- act in a procedurally fair, economical, and expeditious manner.



B. OUR STRATEGY AT A GLANCE



GOVERNMENT PRIORITIES 2025-2030

- Reduce poverty and tackle high cost of living
- Inclusive growth and job creation
- A capable, ethical and developmental state



STRATEGIC INTENT

A fair, accessible and trusted pension funds adjudicator



STRATEGIC PROGRAMMES 2025-2030

- Disposal of complaints
- Effective Stakeholder Management
- Achieve operational excellence



OUR STRATEGIC PRIORITIES 2025-2030

- Achieve excellence in the disposal of complaints according to ACT by leveraging advanced technologies and optimising processes
- Raise awareness on the OPFA's mandate and improve accessibility through targeted stakeholder engagement
- Position the OPFA as an employer of choice
- Maintain commitment to good governance and clean administration



STRATEGIC OUTCOMES

- Respected institution that is upholding and protecting the interests of retirement fund members and other stakeholders
- Trusted Arbiter of retirement fund-related complaints and continuous awareness of OPFA mandate and processes
- An employer of choice that attracts and retains quality talent
- An organisation that leads by example and committed to service excellence

OPFA's strategic intent is to build trust and accessibility in the pension dispute resolution process, ensuring all stakeholders experience transparent, impartial, and efficient adjudication. By striving for excellence in service delivery, we aim to bolster public confidence in the retirement system and solidify our role as a respected authority in pension fund dispute resolution. To support this transition, the following key strategic priorities were adopted:

1. Achieving excellence in complaints resolution:

The OPFA's foremost strategic priority is to strengthen the fair, expeditious and cost-effective disposal of complaints in accordance with its legislative mandate. This will be achieved through the optimisation of internal processes, improved case management practices and the strategic use of advanced technologies to enhance efficiency, consistency and responsiveness. By modernising the complaints-resolution value chain, the OPFA will be better positioned to deliver accessible, timely and high-quality dispute resolution services that respond to the evolving needs of members, funds, administrators and other stakeholders.

2. Enhancing awareness, accessibility and stakeholder engagement:

The OPFA will intensify efforts to raise awareness of its mandate, role and services through targeted and inclusive stakeholder engagement initiatives. This priority seeks to improve public understanding of pension fund rights and recourse mechanisms, particularly among vulnerable and underserved communities. Through proactive communication, education and outreach, the OPFA will expand access to its services, strengthen stakeholder

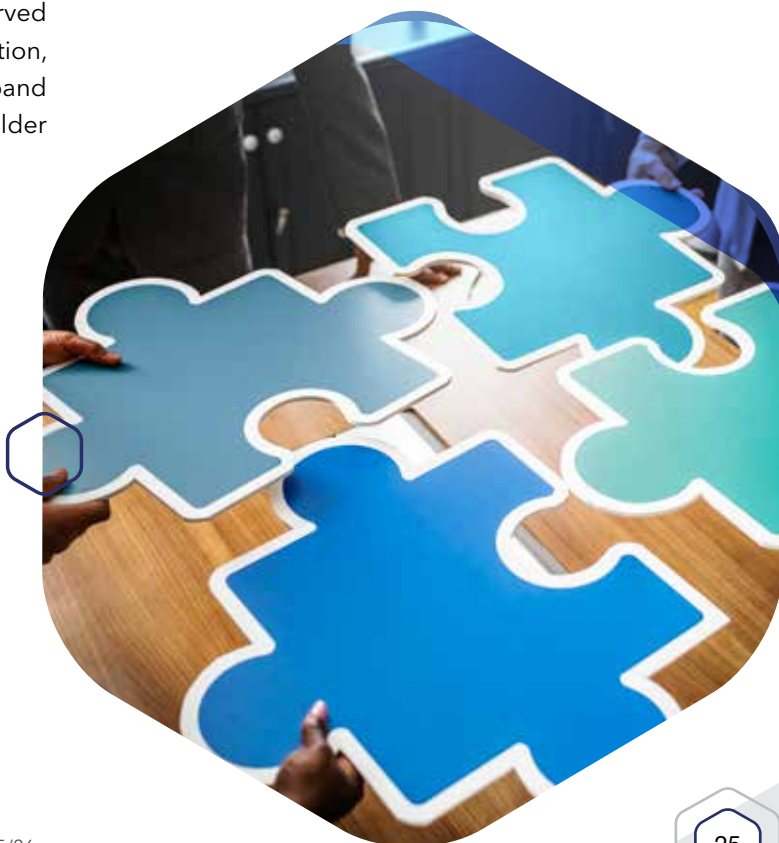
confidence and contribute to improved industry conduct and informed decision-making across the pension funds sector.

3. Positioning the OPFA as an employer of choice:

The OPFA recognises that its ability to deliver on its mandate depends on attracting, developing and retaining capable, engaged and future-ready employees. This priority will focus on strengthening talent management, leadership capability, employee wellness, organisational culture and performance excellence. By creating an enabling, inclusive and growth-oriented work environment, the OPFA will build the institutional capacity required to support transformation, innovation and sustainable service delivery.

4. Maintaining good governance and clean administration:

The OPFA remains committed to upholding the highest standards of governance, ethical conduct, accountability and sound financial management. This priority reinforces the importance of effective oversight, prudent resource utilisation, transparent decision-making and compliance with applicable legislative and regulatory requirements. Through a continued focus on integrity, risk management and clean administration, the OPFA will sustain public trust, strengthen institutional credibility and support the achievement of a capable, ethical and developmental state.





RESOURCE ALLOCATION

The OPFA allocates its resources in a manner that directly supports the achievement of its strategic objectives, with priority given to initiatives that strengthen the fair, economical and expeditious disposal of complaints. This requires sustained investment in the complaints-resolution value chain, including case management systems, process optimisation, legal and adjudication capacity, quality assurance mechanisms and data analytics. Resources are directed towards reducing turnaround times, improving the consistency and quality of determinations, and enabling early resolution where appropriate, while ensuring that all decisions remain procedurally fair and aligned with the OPFA's legislative mandate.

A proportionate share of resources is also allocated to stakeholder education, public awareness and accessibility initiatives, particularly those aimed at vulnerable, underserved and geographically dispersed communities. By investing in targeted outreach, digital communication platforms, user-friendly complaint channels and stakeholder partnerships, the OPFA continues to improve public understanding of its mandate and promote informed access to pension dispute resolution services. This will strengthen public trust and confidence, support improved industry conduct and contribute to the broader objective of protecting the rights of pension fund members and beneficiaries.

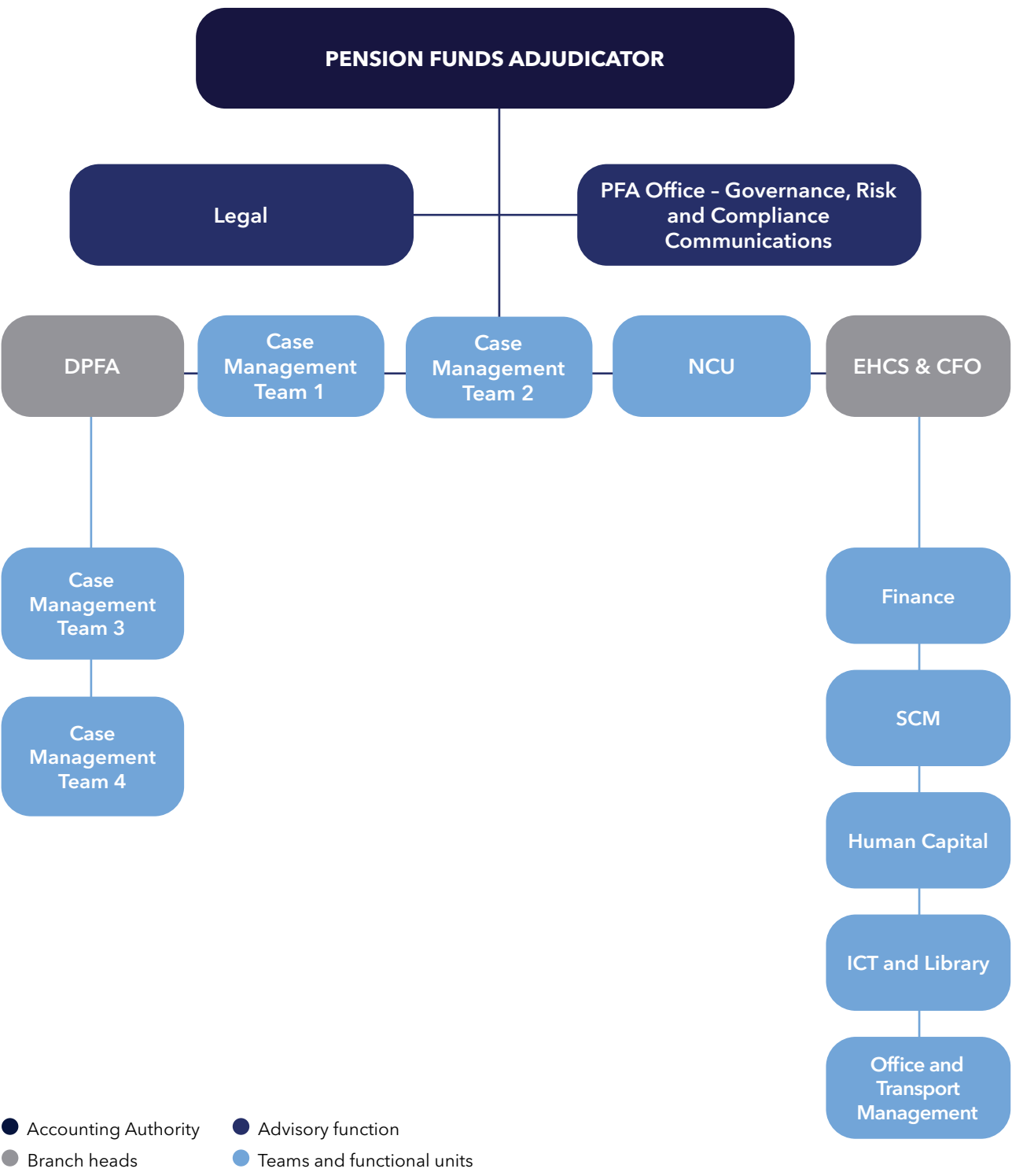
Furthermore, human capital investment remains central to OPFA's resource allocation framework, as the organisation's performance is dependent on the capability, engagement and resilience of its employees. Resources should therefore be channeled towards attracting and retaining specialised legal and technical skills; strengthening leadership

capability; implementing meaningful learning and development programmes; and promoting employee wellness and performance excellence. This will position the OPFA as an employer of choice and build the institutional capacity required to deliver high-quality services on a sustainable basis.

To sustain clean administration and good governance, resources are allocated to effective internal controls, risk management, compliance, supply chain management, financial management and oversight systems. This includes ensuring that governance structures are adequately supported, internal and external audit findings are addressed timeously, action plans are adequately implemented, procurement is conducted transparently and value for money is achieved in all spending decisions. A disciplined approach to governance-related resourcing will enhance accountability, safeguard public funds and reinforce the OPFA's credibility as a capable and ethical public entity.

Overall, the OPFA has adopted an integrated and evidence-based approach to resource allocation, where funding, people, technology and operational capacity are prioritised according to strategic impact, performance risks and service delivery outcomes. Regular monitoring of resource utilisation against strategic targets enables management to redirect resources where necessary, respond to emerging risks and maintain organisational agility.

ORGANISATIONAL STRUCTURE



Current organisational structure



FUNDING MODEL

INTRODUCTION

The OPFA is a statutory ombud scheme established to investigate and determine complaints lodged in terms of the ACT. Its mandate is to resolve pension fund-related complaints in a procedurally fair, economical and expeditious manner. To discharge this mandate effectively, the OPFA requires a funding model that is adequate, predictable, transparent and aligned with its operational responsibilities.

The current funding model is based primarily on levies imposed on the retirement funds industry. This model was introduced following legislative reforms that changed the OPFA's funding, governance and accountability arrangements. The purpose of the model is to ensure that the OPFA is sufficiently funded to perform its statutory functions, while strengthening its operational independence and accountability as a financial sector body.

LEGISLATIVE AND REGULATORY BASIS

The OPFA is funded in terms of section 30R of the ACT, read with the FSR Act, and the Levies Act. These provisions provide the framework for imposing levies on supervised entities to fund the operations of the OPFA.

Effective from 1 April 2023, the OPFA's operations are funded through levies under the Levies Act, based on a budget submitted to and approved by the Minister of Finance. Previously, the OPFA was funded by the FSCA, based on a budget approved by the FSCA Commissioner. The revised framework also designated the PFA as the Accounting Authority of the OPFA for purposes of the PFMA, thereby reinforcing the OPFA's institutional independence and accountability.

The FSR Act requires the OPFA, as a financial sector body, to prepare and adopt an annual budget, an estimate of expenditure, a levy proposal and projected expenditure estimates for the following two

financial years. These documents must be published for public comment before being finalised and submitted for approval.

MAIN SOURCE OF FUNDING

The OPFA's primary source of revenue is levy income from the pension fund industry. The levies are intended to fund the costs associated with the OPFA's core mandate, particularly the disposal of complaints. In practice, levy income accounts for almost all of the OPFA's revenue base, with other revenue sources, such as interest income on cash balances, being relatively immaterial.

The OPFA operates on a cost-recovery basis. It must raise sufficient levies to cover its operational requirements and, as a general principle, does not budget for a surplus or deficit unless prior approval is obtained from National Treasury. This means that the funding model is designed to recover the approved cost of delivering the OPFA's mandate rather than to generate profit or accumulate unrestricted reserves.

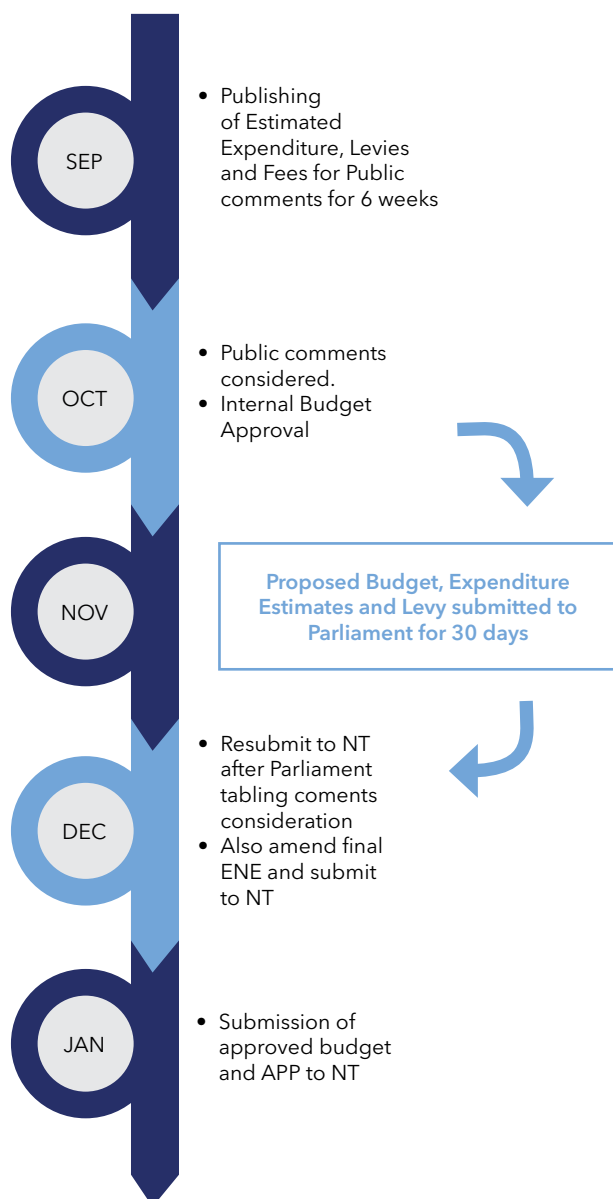
LEVY FORMULA AND CALCULATION

The OPFA levy is calculated using a formula based on the applicable levy rate multiplied by "L". In this formula, "L" represents the number of eligible pension fund members, excluding members whose benefits remained unclaimed and beneficiaries of pension fund members. The member numbers used in the calculation are based on audited data submitted to the FSCA as at 28 February of the preceding levy year.

The levy rate is determined by reference to the OPFA's approved funding requirements. These include operational expenditure, capital expenditure, special implementation costs where applicable, and provision for operating reserves. The purpose is to ensure that the levy rate is sufficient to fund the OPFA's approved activities and enable it to meet its obligations during the financial year.

For example, in the 2026/27 budget cycle, the OPFA budgeted gross revenue of approximately R121 million, comprising mainly levies. This was intended to fund operational expenditure of approximately R115 million and capital expenditure of approximately R6 million. The funding requirement included staff costs, general operating costs, ICT-related expenditure, governance costs, stakeholder engagement, and other resources required to deliver the OPFA's statutory mandate.

BUDGETING AND APPROVAL PROCESS



The funding model is closely linked to the OPFA's annual budget process. The OPFA prepares a budget and levy proposal that reflects its planned expenditure and operational needs. This includes the cost of complaint resolution, corporate services, governance, stakeholder management, technology, compliance, and strategic projects.

Once prepared, the budget and levy proposal are published for public comment. After considering comments received from stakeholders, the OPFA finalises the proposal and submits it to the Minister of Finance through the applicable process. Where the proposed levy increase is within the Consumer Price Index limit, the process may be more straightforward. However, where the proposed increase exceeds CPI, the Minister must follow the process prescribed in the Levies Act, including publication and Parliamentary consideration.

This approval process is intended to promote transparency, consultation and accountability. It also ensures that the levy imposed on the industry is linked to an approved budget and is subject to appropriate oversight.

COLLECTION AND TRANSFER OF LEVIES

Although the OPFA determines its funding requirements and submits its levy proposal for approval, the FSCA is responsible for collecting and administering the levies on behalf of the OPFA. The FSCA invoices the relevant supervised entities, collects the levy income and transfers the funds to the OPFA in accordance with the applicable legislative and administrative arrangements.

This collection mechanism means that the timing of levy receipts depends not only on approval of the levy proposal but also on invoicing, collection and transfer processes. Where the approval process is delayed, the OPFA may experience cash-flow pressure because expenditure is incurred from the beginning of the financial year while levy income may only be received much later.

ALLOCATION OF FUNDING

The funds received are used to defray expenses incurred in the performance of the OPFA’s statutory functions. The largest cost driver is staff expenditure, because the OPFA is primarily a service organisation that relies on specialised legal, adjudication, investigative, administrative and support capacity to resolve complaints.

Funding is also allocated to general operating expenditure, including office accommodation, ICT systems, governance structures, audit and risk management, stakeholder awareness, communications, and compliance obligations. Capital expenditure is directed mainly towards technology, equipment, infrastructure and systems required to improve operational efficiency and support a more digitally enabled ombud function.

The funding model therefore supports both day-to-day service delivery and longer-term institutional development. It enables the OPFA to deal with current complaint volumes while also investing in process improvements, digital capability, governance maturity and accessibility.

The funding model strengthens the OPFA’s institutional independence and provides an important foundation for sustainable mandate delivery. At the same time, its link to eligible pension fund member numbers requires ongoing strategic management, particularly as the membership base reflected below has been declining while demand for OPFA services continues to grow.

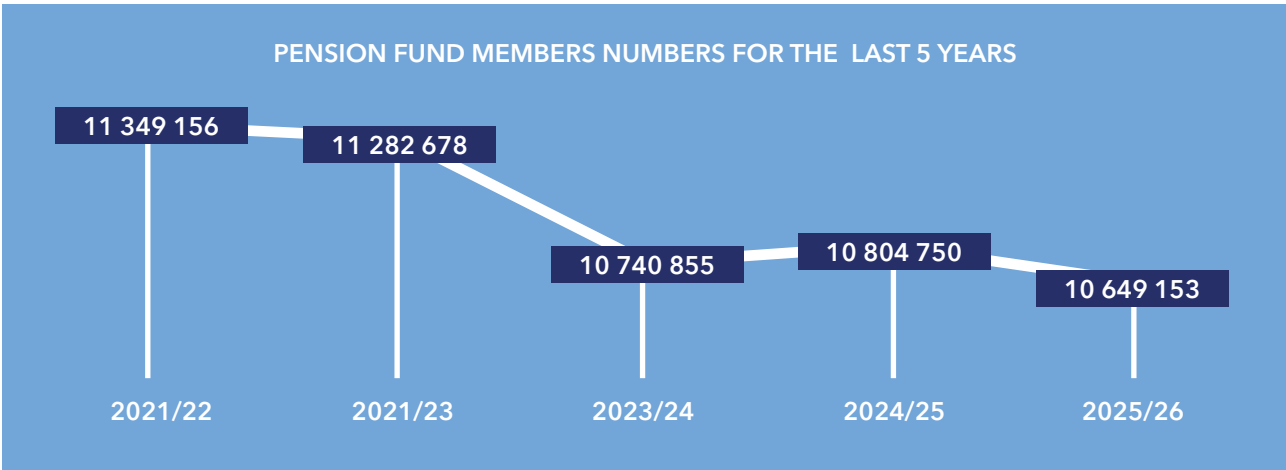
OPERATING RESERVES

The Financial Sector Regulation Act permits the OPFA to include provision for reserves in its estimate of expenditure, but accumulated reserves may not exceed 15% of total estimated expenditure, excluding reserves. These reserves are intended to provide a degree of financial resilience and support continuity of operations.

The 15% reserve cap requires the OPFA to manage its financial resources with continued discipline and strategic foresight, particularly in periods where levy approvals or receipts may be delayed, or where complaint volumes increase unexpectedly. While the reserve framework provides an important basis for financial governance and accountability, it also highlights the need for proactive planning, agile resource allocation and continued engagement with relevant stakeholders to strengthen financial resilience, manage execution risk and ensure the OPFA remains well positioned to deliver on its mandate.

PENSION FUND MEMBER NUMBERS OVER THE PAST 5 YEARS.

Complaint volumes have also increased significantly, with the 2025/26 financial year reflecting record intake levels. This trend reinforces the importance of aligning people, systems, funding and service-delivery capacity with the evolving demand profile, so that the OPFA can continue to improve turnaround times, customer service and operational responsiveness.



The levy approval process also presents timing considerations that require proactive planning and careful cash-flow management. Where funding approvals and receipts occur after the start of the financial year, the OPFA manages the resulting liquidity and execution risks through disciplined financial oversight, prudent use of available reserves and continued engagement with relevant stakeholders to support more predictable funding flows.

Ongoing legislative and regulatory developments, including ombud system reform, the Conduct of Financial Institutions framework and changes arising from the two-pot retirement system, further underscore the need for continued investment in people, technology, governance, training and stakeholder engagement. These investments will position the OPFA to respond effectively to an increasingly complex operating environment and to sustain the quality, fairness and efficiency of its complaints-resolution mandate.

KEY RISKS AND MITIGATION MEASURES

The key considerations associated with the current funding model include funding predictability, timing of levy receipts, declining member numbers, increasing complaint volumes, reserve adequacy and sustained service-delivery capacity. Managed proactively, these considerations provide an opportunity to strengthen the OPFA's financial resilience, operational planning and ability to deliver on its approved Annual Performance Plan while maintaining stakeholder confidence.

Potential measures to strengthen the model include improving the efficiency of the levy approval process, providing a continuity mechanism where levy approvals are not finalised by the start of the financial year, maintaining appropriate reserve levels to manage timing gaps, considering special levies in exceptional circumstances such as complaint surges or mandate changes, and supporting above-CPI levy adjustments where justified by operational requirements.

The OPFA is also pursuing efficiency improvements through business process review, technology enhancement, resource optimisation and stakeholder engagement. These interventions are important to ensure that any funding increase is accompanied by continued discipline in cost management and service delivery improvement.

CONCLUSION

The OPFA funding model is a levy-based, cost-recovery model designed to fund the organisation's statutory mandate and strengthen its independence as a financial sector body. It is grounded in the ACT, the FSR Act and the Levies Act, and is subject to budget approval, public consultation and oversight.

To remain sustainable and responsive, the model must continue to provide timely, adequate and predictable funding in line with the OPFA's evolving operating environment. Strengthening this funding base, together with continued efficiency improvements and stakeholder collaboration, will enable the OPFA to resolve retirement fund complaints fairly, economically and expeditiously while reinforcing public confidence in the retirement funds dispute resolution system.

BUSINESS MODEL

Our business model is focused on generating value for stakeholders with complainants as the primary stakeholder, through investigating and determining complaints lodged in terms of Section 30D of the ACT. Our mandate mainly creates value for complainants, retirement funds, administrators, employers, employees, Finance Ministry as the executive authority, the OC as the regulator of ombud schemes and the FSCA as regulator of pension funds.

VALUE CREATION

The OPFA creates value by executing the following for its stakeholders:

OUR STAKEHOLDERS



COMPLAINANTS:

- Providing accessibility of the office as an ombud scheme for retirement funds and other prospective complainants via different avenues such as walk-ins to OPFA offices, telephone, email, website and fax.
- Investigating and determining complaints in a procedurally fair, economical and expeditious manner.
- Encouraging mediation and settlements to ensure timeous resolution of disputes.
- Implementing outreach and awareness programmes that educate the public and prospective complainants on our services.
- Providing guidance and direction for complaints outside jurisdiction of the OPFA.
- Seeking continuous feedback about our services and adapting our processes to enhance complainant experience.



RETIREMENT FUNDS, ADMINISTRATORS AND INDUSTRY BODIES

- Collaborating with the industry to improve the effectiveness and efficiency of dealing with pension fund complaints.
- Contributing to pension fund law education programmes and information-sharing initiatives, including conferences, webinars, practice notes and published articles.
- Providing the industry with feedback on their performance in order to improve their services to their members.
- Providing training for individual retirement funds on specific topics.



EMPLOYERS

- Raising awareness of pension fund law through issued determinations.



EMPLOYEES

- Providing meaningful employment and opportunities for development and training.
- Providing study assistance through bursaries as capacity building initiative.
- Providing fair and competitive remuneration and benefits.
- Providing a diversified and relevant employee wellness programme.



FINANCE MINISTRY

- Providing performance reports containing detailed information on the effectiveness of the ombud scheme and its mandate in addressing its policy objectives.
- Providing evidence-based input on legislative reform.



REGULATORS

- FSCA - Providing data and trends on systemic issues and other matters of concern.
- Ombud Council - Providing guidance on complaint trends, systemic issues, regulatory developments, and governance requirements affecting ombud schemes.



MANCO

Front Row (from left to right): Thabo Mankga, Silas Mothupi, Lalita Jadoonandan, Wilana Groenewald, Naheem Essop
Back Row (from left to right): Nndwakhulu Kutama, Bulelani Makunga, Clement Manenzhe, Lehlohonolo Rabotapi

HOW WE CREATE VALUE

The OPFA creates value by executing the following for its stakeholders

OUR INPUT CAPITALS



FINANCIAL CAPITAL

FC

OPFA funding sources:

- Levies charged on the retirement fund industry
- Interest income from short-term investments

- Total budget of **R119 482 480** funded from levies raised, interest earned and reserves
- Approved funding through levies of **R118 365 297**
- Budgeted interest income of **R1 117 183**
- Sound financial management and budgetary controls



INFRASTRUCTURE CAPITAL

IC

- Building and office space
- ICT infrastructure and systems

- Operating leases for buildings and printers at the cost of **R8 062 772**
- Property, plant and equipment to the value of **R19 525 014**
- Software to the value of **R4 787 926**



INTELLECTUAL CAPITAL

K/IC

- Determination orders filed with the High Court
- Knowledge and experience in pension

- Investigation and adjudication of complaints
- Issued determinations of precedence
- Professional legal staff drafting skills and experience.
- OPFA Case Management System and workflow, and other supporting digital systems



HUMAN CAPITAL

HC

- OPFA staff skills, unique pension law knowledge and experience
- OPFA Leadership and key management stability
- OPFA values, culture and ethics

- Optimised organisational structure with stability in key management.
- 81 diversified professional and support employees at the end of the financial year at a cost of **R 68,368 031**
- Training and Development expenditure of **R1 814 504**
- Employee wellness expenditure of **R277 000**
- Industry subscription/membership to the value of **R90 856**



SOCIAL AND RELATIONSHIP CAPITAL

SRC

- Relationships with oversight entities and governance committees.
- Collaboration with stakeholders
- OPFA outreach and education programmes with the public

- Maintained collaborative relations with industry regulator, national treasury and governance committees to improve the implementation of the OPFA mandate
- Continued building cooperative relations with funds, administrators and industry bodies to enhance service delivery to complainants
- Engaged various stakeholders using different media and platforms to educate the public about OPFA services
- The total spend on stakeholder engagement for 2025/26 was **R 1 524 498**



NATURAL CAPITAL

NC

- OPFA impact of business activities on natural resources including land, electricity and water consumption

- Total electricity and water expenditure of **R1 727 119**
- Electricity usage per mega watt
- Water usage per kilolitre

OUR BUSINESS ACTIVITIES

In order to achieve its mandate, the OPFA uses its business processes guided by its three core strategic goals:



CORE BUSINESS

- Receive and register complaints
- Refer complaints to Funds/ Administrators or Employers
- Adjudicate complaints
- Post adjudication and closure
- Reconsider complaints as per the Financial Services Tribunal rulings



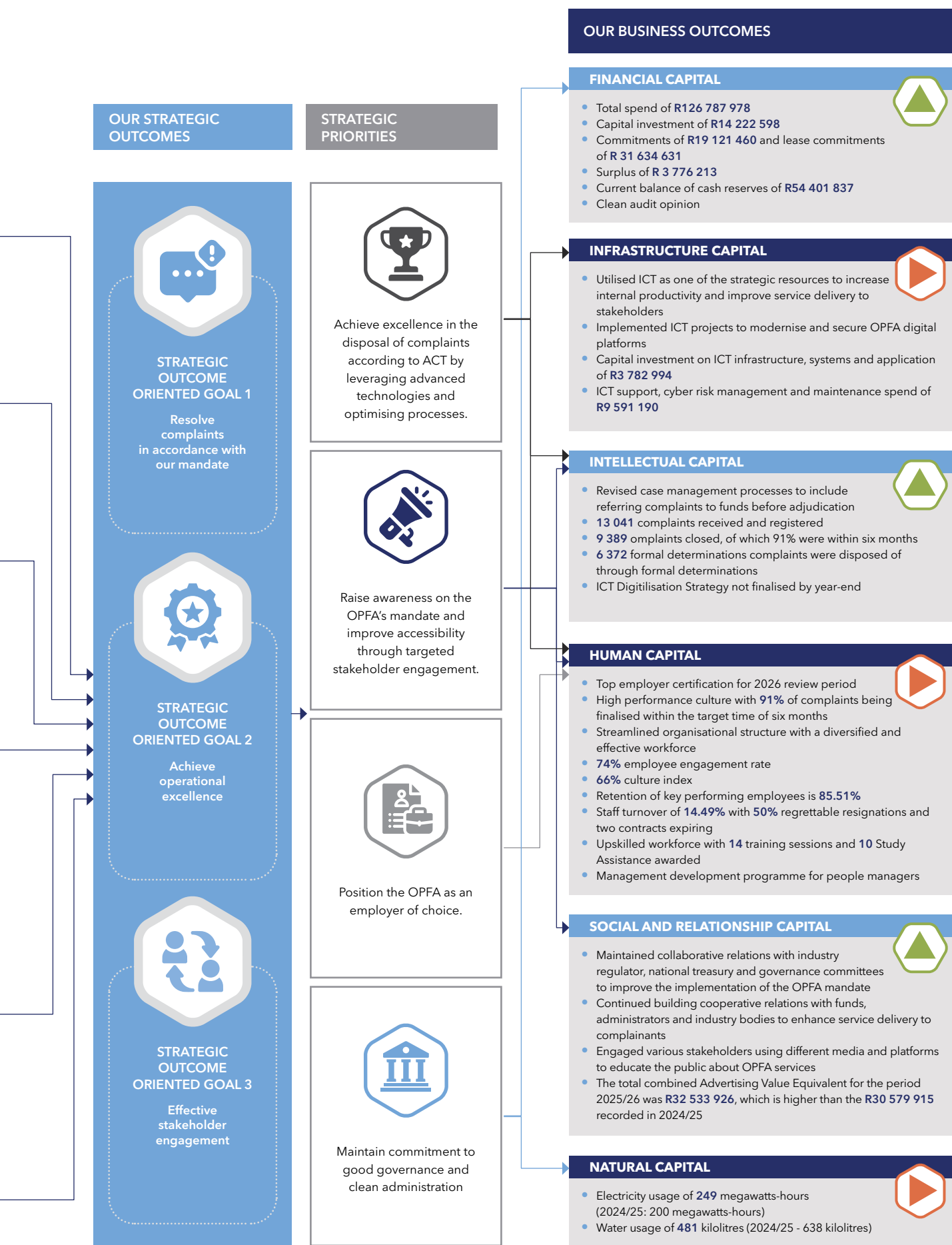
SUPPORT PROCESSES

- Collaboration and engagement with stakeholders
- Human resources management
- Finance and supply chain management
- Legal services
- Information and communication technology
- Information and records management



MANAGEMENT CONTROLS

- Policy, processes, standards, workflow and methodologies
- Strategy and monitoring systems
- Governance, risk and compliance management
- Transformation management
- Ethics management



The OPFA continues to operate in a period of significant legislative, regulatory and operational change. National Treasury's financial ombud system reform agenda, the COFI Bill, changes to the OPFA's funding model, labour law amendments, the two-pot retirement system and the Ombud Council Rules are collectively reshaping the environment in which the OPFA delivers its mandate. These developments present both opportunities and risks, including expanded jurisdiction, an increase in complaint volumes, increased public awareness, improved coordination within the financial ombud system, and additional operational and financial pressures.

FINANCIAL OMBUD SYSTEM REFORM

National Treasury's policy position, set out in *A Simpler, Stronger Financial Sector Ombud System*, envisages a reformed ombud system comprising the National Financial Ombud Scheme South Africa, a reformed Retirement Funds Ombud and a modified Ombud Council. Although the OPFA remains separate from the NFOSA for now, its future transition may be reconsidered once the NFOSA structure has stabilised. Given the expected member outcomes in the retirement fund sector, careful consideration will be required in establishing a structure that enhances the financial ombud system while promoting sustainable outcomes for pension fund members.

COFI BILL

The COFI Bill is expected to introduce significant changes affecting the OPFA's mandate, as discussed in detail in the external environment analysis. These changes create an opportunity for rebranding and a broader awareness campaign. However, further engagement is required to strengthen some of the proposals that may have a significant impact on the OPFA's jurisdiction.

NEW FUNDING MODEL AND LEVIES AMENDMENT BILL

The commencement of the Financial Sector and Deposit Insurance Levies Act, 2022, changed the OPFA's funding model to one based on levies approved by the Minister of Finance and tabled in Parliament. This has prolonged the process to the extent that funding is received nine months into the financial year, exposing the OPFA to a strategic risk of insufficient funding for operations and capital projects. Furthermore, as discussed under the funding model section, the current model also appears inadequate to address emerging funding pressures, as it relies on registered pension fund member numbers, which have declined over the past five years, while not sufficiently accounting for the significant increase in complaint volumes. The Levies Amendment Bill is currently at consultation stage, and the OPFA has submitted input to address these issues.

RE-ENGINEERING PROJECT AND CAPACITY OPTIMISATION

The significant increase in complaints, together with employee feedback from the employee engagement and culture survey, prompted a review of the OPFA's organisational processes, technology and human capital capacity through a re-engineering exercise conducted by external consultants. The process is currently in progress and is expected to make recommendations that will have an impact on the OPFA's operational, human and financial resources.

ICT DECOUPLING PROJECT

The OPFA has decoupled the majority of its processes from the FSCA, following legislative changes in 2024 that amended the governance structure for an independent OPFA. Corporate services functions have been moved from the FSCA, including governance committees, secretariat

and internal audit services. ICT infrastructure was moved to the OPFA premises, and a direct and independent connection to the disaster recovery site was successfully established. The support and maintenance services have been outsourced, and the OPFA-FSCA MOU has been extended until 30 September 2026 to assist with the handover to the new service providers. The OPFA is set to stabilise its systems and execute its digitalisation strategy in the medium term.

CHANGES IN LEADERSHIP AND STRATEGY REVIEW

The changes in leadership, with the appointment of the new PFA in December 2025, necessitated a review of the OPFA Strategy 2025-2030. A key insight emerging from the review is that, while the OPFA's performance has been strong, it remains fragile and may not be sustainable without fundamental changes to its operating model. The organisation must therefore transition from its current reactive dispute resolution approach to a more proactive, scalable and future-ready model. This shift requires a deliberate focus on enhancing service delivery in the short to medium term, while simultaneously investing in long-term transformation. Central to this evolution is the concept of an "Ombuds of the Future": an organisation that is digitally enabled, data-driven and capable of influencing industry conduct and policy through evidence-based insights.

To support this transition, key strategic outcomes were identified, including the timely and fair resolution of complaints, a seamless and accessible customer experience, improved industry conduct, a high-performing and future-ready workforce, and strengthened trust, governance and institutional credibility. These outcomes are supported by four core transformation pillars:

1. the development of a Digital Ombuds through end-to-end digitisation and automation;
2. the enhancement of customer experience through improved accessibility and responsiveness;
3. the establishment of an intelligence-led Ombuds that leverages data and analytics for systemic impact; and
4. the strengthening of institutional capability

through improved talent management, organisational culture and governance frameworks.

The outlook for the OPFA is defined by a period of significant transition, requiring the organisation to respond decisively to legislative reform, funding uncertainty, rising complaint volumes, operational independence, ICT stabilisation and evolving stakeholder expectations. While the proposed financial ombud reforms, COFI Bill and Levies Amendment Bill present opportunities to strengthen the retirement fund complaints framework and improve access to justice, they also place additional pressure on the OPFA's mandate, resources and operating model. The ongoing re-engineering project, ICT decoupling and review of the 2025-2030 Strategy are therefore critical enablers in repositioning the OPFA as a more proactive, digitally enabled, intelligence-led and future-ready institution. Sustained investment in people, technology, governance, stakeholder engagement and institutional capability will be essential to ensuring that the OPFA continues to deliver fair, timely and credible outcomes for pension fund members in a changing regulatory and operational environment.





KEY RISKS AND MITIGATION

ENTERPRISE RISK MANAGEMENT

During the 2025/26 financial year, the OPFA continued to strengthen its Enterprise Risk Management (ERM) capability as a key enabler of good governance, sound decision-making, and organisational resilience. The ERM framework remained integral to the achievement of the organisation's strategic objectives by ensuring that risks were identified, assessed, managed, and monitored within the Accounting Authority's approved risk appetite and tolerance levels.

The risk management process was embedded throughout the organisation and supported informed decision-making at both strategic and operational levels. The Strategic Risk Register was reviewed in May 2025 and monitored monthly/quarterly to ensure that existing and emerging risks were appropriately managed. Particular focus was placed on strategic priorities, including organisational management and governance environmental changes, information and cybersecurity (the introduction of AI tools), organisational performance, operational effectiveness amid the increase in the cases logged with office and the persistent instability within the human capital function.

The OPFA continued to promote a strong risk-awareness culture through the implementation of its Enterprise Risk Management Policy and Framework. Oversight of risk management activities was provided through established governance structures, including the Audit and Risk Committee, Executive Committee, and Management Committee, which monitored the effectiveness of risk mitigation measures and ensured accountability for managing strategic and operational risks.

RISK MANAGEMENT AND MITIGATION

The OPFA continued to implement strategic risk mitigation initiatives aimed at reducing risk exposure and strengthening internal controls. Progress against strategic risk mitigation plans was monitored throughout the year, with management implementing corrective actions where required to address identified gaps and emerging risks.

Operational risk registers were maintained across all business units and reviewed regularly to ensure alignment with the Strategic Risk Register and the organisation's evolving risk environment. This approach enabled the OPFA to proactively manage risks at both operational and strategic levels while supporting continuous improvement in risk management practices.

Risk management activities during the year also focused on enhancing organisational resilience through ongoing monitoring of key risks, implementation of business continuity initiatives, and strengthening assurance processes to support effective governance.

FRAUD, COMPLIANCE, AND GOVERNANCE

The OPFA maintained its commitment to the highest standards of ethical conduct and continued to enforce a zero-tolerance approach to fraud and corruption. Fraud prevention and awareness initiatives were implemented throughout the year, while all reported allegations of fraud, corruption, and unethical conduct were investigated in accordance with established policy, strategy and response plan. The Fraud Prevention and Anti-Corruption Framework continued to support the OPFA's efforts to promote ethical

behaviour and protect organisational resources. This. Included the implementation of an independent/ external Ethics Awareness Training Conducted for all OPFA employees.

Compliance management remained an integral component of the governance framework. The organisation continued to monitor compliance with applicable legislation, regulations, and internal policies, while legislative developments were assessed to determine their impact on the OPFA's operations. Policy reviews and updates were undertaken where necessary to ensure continued

alignment with the evolving regulatory environment and organisational requirements. To ensure that employees are kept abreast of the changing policy environment, annual policy roll-out was conducted.

The OPFA further strengthened its governance and risk management maturity through the ongoing enhancement of internal controls, combined assurance activities, and regular reporting to governance structures. These initiatives continue to support effective oversight, accountability, and the achievement of the organisation's strategic objectives.



Outcome	Key Risks	Action Plan	Progress Status
Attract and retain a qualified and skilled workforce to execute the mandate	Leadership Capability Gap (Case Management and HR) to effectively manage teams and performance	Strengthen leadership capability through continuous performance feedback and monitoring, PFA oversight, consequence management, management development training, implementation of the 360-degree assessment, monitoring of succession planning, implementation of business process review outcomes, change management, and timely monthly management of poor performance.	The OPFA continued to implement the controls identified. With regards to the leadership capability gap risk, the 360-degree assessment tool will be implemented through a structured change management plan. The Management Development Program has been completed, and all participating managers passed. The action plans identified from the Employee Wellness Plan are being monitored. The residual risk remained High.
Maintain clean administration	Financial Sustainability Risk	Mitigate financial uncertainty through continuous engagement with the FSCA, National Treasury and other relevant stakeholders regarding funding; implementation of cost-cutting measures and optimal utilisation of reserves; engagement with National Treasury on post-implementation feedback and limitations of the current funding model; and providing input into the Levies Act amendment process led by the FSCA.	The OPFA continued to implement the controls identified. With regards to financial uncertainty due to the prolonged levy process, the 2026/27 budget had not yet been approved during the period under review. The levy process remains beyond the OPFA's control due to requirements for Parliament and National Treasury approvals. The OPFA is in continuous engagement with National Treasury on effective interventions to shorten the levy process and continues to provide relevant input into the Levy Act Amendment Bill. The residual risk remains High.
Attract and retain a qualified and skilled workforce to execute the mandate	Inability to attract skilled staff	Implement key HR Strategy initiatives, including the remuneration philosophy, recognition and reward initiatives, culture improvement plan, talent management training for team leaders, talent management and retention strategy, and appointment of HR capacity through an HR Manager and HR Consultant.	The OPFA continued to implement the controls identified. With regards to the inability to attract skilled staff, attracting professional staff remains a challenge. Implementation of the revised HR strategy and the remuneration philosophy is in progress but delayed. Management has proposed moving some of the HR Strategy planned targets to the next financial year. The residual risk remains High.

Outcome	Key Risks	Action Plan	Progress Status
Attract and retain a qualified and skilled workforce to execute the mandate	HR records management risk	Improve HR records management through timely submission of records by managers, monthly monitoring of manual files, electronic reconciliation and capturing of documents, system-generated reporting, development of an HR records management plan and file plan, appointment of an HR Manager, and implementation of the records management system.	The OPFA continued to implement the controls identified. With regards to HR records management, the residual rating reduced to Medium risk. During the period under review, the Records Management System was implemented successfully in December 2025. The HR Module is already being utilised and records are being updated for the past three years. The process of developing a file plan is still underway and it is anticipated that the project will be completed in the next financial year.
Attract and retain a qualified and skilled workforce to Execute the mandate	Organisational development risks	Manage organisational development risks through continuous communication with staff, implementation of the change management process, review of the organisational structure, implementation and review of HR Strategy initiatives, remuneration and recognition interventions, employee value proposition review, and implementation of culture improvement plans.	The OPFA continued to implement the controls identified. With regards to organisational development risks, management appointed a service provider to conduct a Change Management initiative. A comprehensive report has been prepared and approved, and implementation of the change management report has commenced. The residual risk remains Medium.
Maintain clean administration	Governance and leadership transitional risk	Manage the governance and leadership transition through development and implementation of a transitional plan and programme, continuous engagement with National Treasury to expedite the appointment process, and ongoing implementation of existing controls.	The OPFA continued to implement the controls identified. With regards to governance and leadership transitional risk, governance committee members continued to hold meetings as per the approved work plans. The appointed PFA commenced work on 8 December 2025, the handover process has been completed, and implementation of the transitional programme has also been completed. The residual risk reduced to Medium and the risk will be removed during the next review.

Outcome	Key Risks	Action Plan	Progress Status
Optimisation of ICT systems to meet OPFA's dynamic service delivery requirements	Information and cybersecurity risk across all business areas (HR, ICT, Finance, Case Management and PFA's office)	Strengthen ICT security through annual penetration testing, quarterly security awareness campaigns, disaster recovery testing, regular backups and restore testing, remediation of audit and penetration test findings, continued technology upgrades, firewall replacement and maintenance, and implementation of cybersecurity insurance.	The OPFA continued to implement the controls identified. With regards to information and cybersecurity risk, the ICT decoupling project has achieved significant milestones; however, the remaining component, Phase 3 on human resources, is under consideration. The ICT Digitisation Strategy was not developed as planned by the end of the 2025/26 financial year due to internal delays. The internal auditors conducted a review of general controls, which resulted in audit findings, and management is in the process of implementing the recommendations made. The Disaster Recovery test was successfully completed. The residual risk remains Medium.
Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT	Changes in legislative framework with regard to Pension Funds	Management accepts the risk and will continue to monitor legislative developments, engage National Treasury, the Ombud Council and other relevant stakeholders on implementation requirements, provide staff training on key legislative changes, and develop and implement transition plans where required.	The OPFA continued to implement the controls identified. With regards to changes in the legislative framework, OPFA management continues to engage with National Treasury regarding new legislation. During the period under review, OPFA provided input into the suggested amendments to the FSR Act. The residual risk remains Medium.

Outcome	Key Risks	Action Plan	Progress Status
Increase the OPFA's physical and digital footprint across South Africa to enable complainants to lodge complaints regardless of their geographical location	Limited accessibility of the OPFA offices for walk-in complainants	Enhance accessibility by investigating and establishing partnerships for additional access points, collaborating on outreach programmes with stakeholders and community organisations, deciding on resource allocation for the NFOSA office, promoting web-based complaint channels, exploring partnerships with state institutions, and intensifying public awareness campaigns.	The OPFA continued to implement the controls identified. With regards to limited accessibility of OPFA offices, the OPFA continued to operate at the NFOSA offices in Rosebank, Johannesburg during the period under review. The additional access point supports physical accessibility for walk-in complainants. The residual risk remains Low.
Dispose of complaints in a procedurally	Inadequate collaboration between FSCA and OPFA	Continue regular engagement with FSCA pensions management and the Deputy Commissioner to strengthen collaboration, facilitate information sharing, and support coordinated engagement on retirement funds industry matters.	The OPFA continued to implement the controls identified. With regards to the inadequate collaboration risk, an MoU was established and there are regular engagements between the OPFA and FSCA Management on retirement funds industry matters. The residual risk reduced to Low.



GOVERNANCE REPORT 2025/26

ACCOUNTING AUTHORITY AND RESPONSIBILITY

The PFA is the Accounting Authority of the OPFA in accordance with section 49 (1) of the Public Finance Management Act 1 of 1999 (PFMA) and section 30T of the Pension Funds Act 24 of 1956, as amended. Therefore, the PFA is the authority accountable for the purposes of these Acts. This entails that the PFA is responsible for ensuring the establishment and effectiveness of appropriate governance structures, setting the strategic direction, overseeing implementation, and maintaining a robust risk management framework within the OPFA.

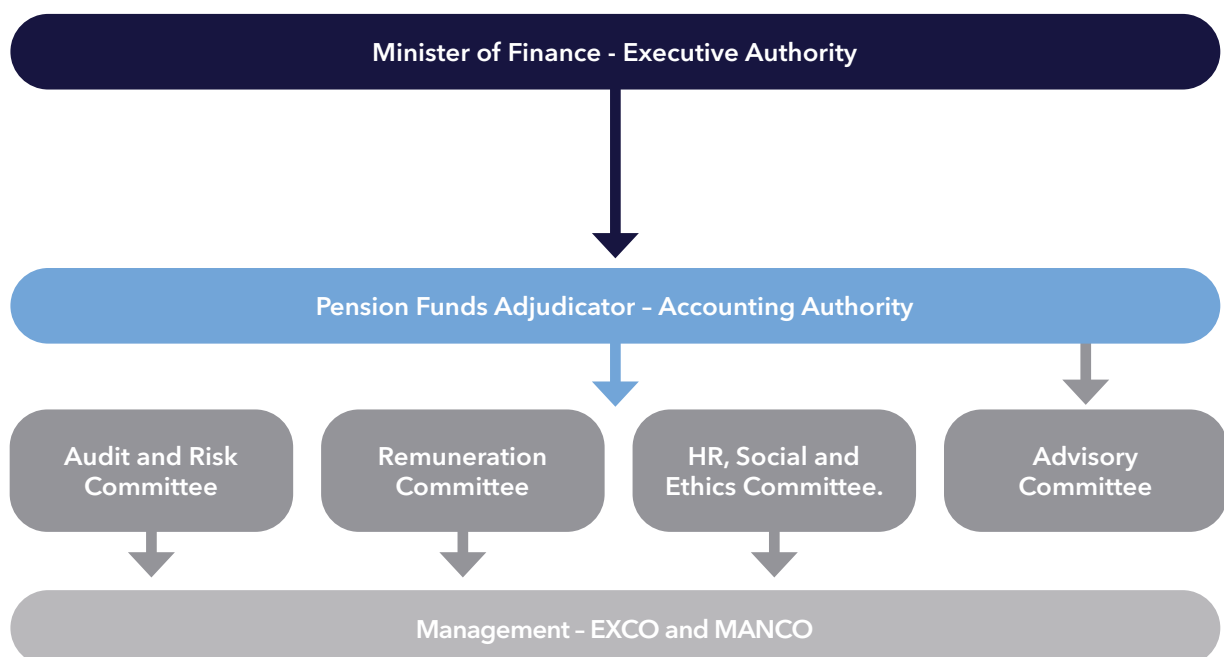
In discharging assigned duties and responsibilities, the Accounting Authority is guided by the principles of transparency, fairness, accountability, and responsibility. The Accounting Authority has charged and delegated the Executive Head Corporate Services and Chief Financial Officer (EHCS & CFO) with directing and managing the strategic direction and day-to-day activities of corporate services. The Corporate Services Division comprises finance, human capital, information, communication, and technology, supply chain management, and library.

COMMITMENT

The Accounting Authority assures that the information provided in the report complied with relevant legislation, policies and procedures, and codes of good governance in the financial year under review. In doing so, the OPFA operations were conducted ethically, within prudent risk parameters, and in accordance with good governance practices and processes.

GOVERNANCE STRUCTURE

The Accounting Authority of the OPFA must establish and maintain effective, efficient, and transparent systems of financial and risk management and internal control in terms of section 51 (1) (a) (i) of the PFMA. The OPFA has established governance structures, including governance committees, executive management, and a management committee, to support the Accounting Authority in discharging its duties and responsibilities. The governance committees are Audit and Risk, Human Resources, Social and Ethics, and Remuneration committees. Lastly the, Accounting Authority an Advisory Committee to provide timely, informed and coordinated advice on strategic matters arising from the governance committees of the OPFA.



To strengthen its good governance practices, the OPFA is committed to applying the King V principles as detailed below:

King V principle	OPFA application	Key activities
Principle 1: The governing body should lead ethically and effectively.	The Accounting Authority governs ethics in a manner that promotes an ethical organisational culture and responsible corporate citizenship. Ethical conduct is embedded through approved governance frameworks, the Code of Conduct, conflict of interest management processes, ethics awareness initiatives, and mechanisms for reporting unethical conduct. The Human Resources, Social and Ethics Committee provides oversight of ethics-related matters, monitors organisational culture, and promotes responsible conduct towards employees, pension fund members, stakeholders, and the broader community.	The OPFA incorporates its values in all the approved governance documents. These values are encompassed in approved terms of reference for governance committees, Code of Conduct and Conflict of Interest are in place.
Principle 2: The governing body governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.		During the year under review, the HRSEC reported no conflict of interests' incidents from the staff and members of governance committees. The OPFA achieved 69% score on Organisational Culture Climate Survey. Employee Wellness and Employee Assistance Programme initiatives were implemented as well as the employee development, training, and bursary opportunities. Pension fund member education and outreach programmes were undertaken through stakeholder engagement initiatives.
Principle 3: The governing body ensures that the organisation's purpose, business model, and strategy result in sustainable value creation within its economic, social, and environmental context.	The OPFA's purpose is to advance justice in society. Therefore, its strategy and business model are underpinned by statute and policy directive in the pension fund sector.	The OPFA's Accounting Authority ensures that the developed and approved strategy creates value in the pension fund sector and utilizes resources sustainably within its economic, social, and environmental context. The OPFA's strategy and annual performance plan were approved by National Treasury and tabled in Parliament, as they align with its legislative mandate and give effect to the government policy directive. The resources allocated and available have enabled the OPFA to meet its strategic objectives for the year under review. The Accounting Authority has noted with concern the long-term sustainability of the organisation due to its reliance on a single source of financial resources to fund its operations. It will continue to monitor the long-term viability of its financial resources and explore other funding models to strengthen its financial position and maintain its going concern status. Social B-BBEE verification report has noted a score of Level 8 to account for the OPFA social contribution.

King V principle	OPFA application	Key activities
Principle 4: The governing body ensures that reports issued by the organisation enable stakeholders to make informed and holistic assessments of how the organisation creates sustainable value within its economic, social and environmental context.	The OPFA's reporting frameworks are informed by oversight bodies, including Executive Authority (National Treasury) and Department of Planning, Monitoring and Evaluation (Custodian of National Government reporting). The framework compels the OPFA to maintain and strengthen reporting standards and legal requirements and guide the purpose of each report submitted to stakeholders.	The OPFA's suite of reports is submitted to the Risk and Audit committee and internal audit to provide reasonable assurance and ensure the integrity of the contents. These reports inform decision-making and keep critical stakeholders abreast of OPFA's progress towards achieving its legislative mandate, policy imperatives, and strategic objectives. The reports capture OPFA's governance information, including evaluations of compliance with applicable reporting standards and frameworks and assurance of the effectiveness of internal control and risk management systems. The 2024/25 Integrated Report was approved and tabled in Parliament by the Executive Authority.
Principle 5: The composition of the governing body is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its governance role and responsibilities objectively and effectively.	The composition of OPFA's governance committees is underpinned by corporate governance best practices that ensure competence, diversity of thought, transparency, accountability, fairness, and responsibility. Members are required to be independent and have no conflicts of interest with respect to the organisation.	The OPFA has 3 governance committees: Audit and Risk, Human Resources, Social and Ethics, and Remuneration. All the committees' members and chairpersons are non-executives. The four executives, PFA, DPFA, EHCS & CFO, and the Executive Manager: OPFA are points of interaction between management and governance committees. The committees are diverse in their membership, including competencies, age, culture, race, and gender. This enables effective governance and strengthens decision-making within the OPFA. The members' terms are staggered to improve retention of capabilities, expertise, and institutional knowledge while maintaining continuity by attracting new skills and business perspectives The members have declared no conflicts of interest in respect of matters on the agenda of committee meetings during the year under review. The committees are guided by the approved Terms of Reference in conducting their respective business.

King V principle	OPFA application	Key activities
Principle 6: The governing body ensures that arrangements for delegation to its committees and individuals within its own structures support the objective and effective discharge of its governance responsibilities.	The OPFA has developed, established, and approved governance frameworks, including Delegation of Authority, Executive and Management committees, and governance committees. These structures and frameworks support the Accounting Authority in discharging its duties and responsibilities.	Through the DOA, the Accounting Authority has delegated material and significant business decisions to EXCO, day-to-day running to MANCO, and oversight of OPFA's strategic implementation, financial resources and spending, internal control systems, and risk management to governance committees. The Accounting Authority has approved and implemented OPFA's policies to guide and direct operations in pursuit of the strategic objectives. The Accounting Authority has established and appointed members to the Audit and Risk Committee in line with the prescripts of the PFMA and Treasury Regulations. The Committee advises and recommends to the Accounting Authority all OPFA statutory submissions.
Principle 7: The governing body ensures that the appointment of and delegation to management result in operational effectiveness and clarity on authority and responsibilities.	The OPFA has developed, established, and approved governance frameworks, including Delegation of Authority, Executive and Management committees, and governance committees. These structures and frameworks support the Accounting Authority in discharging its duties and responsibilities.	The Accounting Authority has delegated the corporate services authority to the EHCS & CFO, while the DPFA has the authority to issue determinations. This provided clarity on operational authority and supported effective, seamless decision-making for day-to-day activities. The OPFA has established internal corporate governance and secretariat services, which are approved by the Accounting Authority.
Principle 8: The governing body governs risk and compliance to enable the organisation to expand its opportunities, and set and achieve its strategic objectives.	The Accounting Authority has developed and approved risk management policies, framework and strategy under the oversight of the Audit and Risk Committee. The Committee oversees the OPFA's compliance with applicable legislation, government policies, standards, codes, and Rules.	The OPFA regularly submits compliance and regulatory reports to the Committee to provide assurance on the effectiveness of the compliance frameworks and management. During the year under review, the OPFA achieved 90% of its compliance requirements in the approved plans.

King V principle	OPFA application	Key activities
Principle 9: Compliance – The governing body should oversee compliance with applicable laws and adopted non-binding rules.	OPFA applies this by maintaining oversight of compliance with applicable legislation, regulatory requirements, governance policies and approved internal frameworks. OPFA has developed and approved a Regulatory Universe.	Approved and implemented the Regulatory Universe; conducted compliance monitoring activities
Principle 10: Data, information and technology – Technology and information should be governed to support the organisation's strategy.	OPFA applies this through governance of information, case management data, ICT systems, records, cybersecurity awareness, and technology controls that support service delivery. The Accounting Authority developed and approved a data governance plan that is underpinned by the Promotion of Access to Information Act 2 of 2000 and the Protection of Personal Information Act 4 of 2013.	Training and continuous awareness of employees on cyber security controls, fundamentals of artificial intelligence and data security The OPFA has appointed a delegated information officers to develop and implement OPFA information governance.
Principle 11: Remuneration – The organisation should reward fair, responsible, and transparent practices.	OPFA applies this through fair and transparent remuneration practices aligned with approved human resources policies, affordability, accountability, and public-sector governance expectations.	The OPFA implements a remuneration philosophy and policy for its staff that promotes equitable, fair, and market-competitive compensation. The implementation of this practice is overseen by the Remuneration Committee. The OPFA has conducted and implemented salary structural adjustments for employees who fell below the target remuneration range and are performing satisfactorily. This measure aims to maintain fair and equitable Remuneration for employees, attract and retain skilled and talented human capital, and reward high-performing employees. The OPFA pays performance incentives to the staff for achieving the organisation's strategic objectives and motivates them to sustain high performance

King V principle	OPFA application	Key activities
Principle 12: Assurance – Assuring effective internal controls and risk management should build trust and confidence.	The OPFA has established an internal control system in line with prescripts of the PFMA and Treasury regulations. The Accounting Authority has appointed an internal audit function under the direction of the Audit and Risk Committee.	The Accounting Authority appointed Nexia SAB&T as the Internal Audit service provider. The appointment supports the implementation of a combined assurance model aimed at strengthening the internal control environment and ensuring that significant risks and material operational matters are effectively addressed. During the year under review, the Internal Audit function completed nine planned audits. Of these, six audits resulted in no findings, while the three audits yielded low-risk findings, demonstrating the effectiveness of the organisation's control environment.
Principle 13: Stakeholders – The governing body should adopt a stakeholder-inclusive approach that balances the needs of all groups.	OPFA applies this by engaging complainants, funds, administrators, regulators, employees, and other stakeholders in a fair, accessible and transparent manner.	The OPFA has implemented 179% of its stakeholder management and communications plans. These activities have increased OPFA's reach and accessibility for the public and media, enhancing its brand and positioning the organisation as a thought leader in dispute resolution and interpretation of pension-related matters. The OPFA in partnership with NFOSA expanded its footprint by establishing an access point in Rosebank, Johannesburg. The OPFA conducted outreach activities in various areas to increase coverage in low-income and previously disadvantaged locations.



MANCO

Front Row (from left to right): Malakia Raedani, Wilana Groenewald, Tintswalo Shibambu, Thembelihle Mabuza, Lalita Jadoonandan, Silas Mothupi, Thabo Mankga, and Lutendo Tshifularo

Back Row (from left to right): Vusi Mthembu, Nhlanhla Mpembe, Zimasa Majola, Nondumiso Ntshangase, Godfrey Mashigo, Wonder Dila, Ndwakhulu Kutama, Nana Ntenga, Lehlohonolo Rabotapi, Bulelani Makunga, Clement Manenzhe, and Naheem Essop

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was, prior to 2025, constituted as two separate subcommittees, namely the Risk Subcommittee and the Audit Subcommittee. Following the reconstitution of the governance committee structures in 2025, the committees were consolidated into a single committee, now known as the Audit and Risk Committee. The Committee is responsible for ensuring that the OPFA implements effective risk management policies and plans, thereby enhancing its ability to achieve its strategic objectives. It further advises on the adequacy of risk management processes and strategies.

The Committee met seven times during the reporting period, with attendance reflected below:

No.	Member	Appointment Date	Total Meetings	Attendance %
1	Nico Esterhuizen**	1 July 2023 - 31 August 2028	7/7	100%
2	Tania Ajam*	1 July 2023 - 31 August 2026	7/7	100%
3	Portia Maluleke	1 September 2025 - 31 August 2028	4/4	100%
4	Norman Baloyi	1 September 2025 - 31 August 2028	4/4	100%
5	Luyanda Ntuane*	1 July 2023 - 30 June 2025	1/1	100%
6	Veronique Joseph*	1 July 2023 - 30 June 2025	1/1	100%
7	Velile Pangwa*	1 July 2023 - 30 June 2025	1/1	100%
8	Precious Mvulane**	1 July 2023 - 30 June 2025	1/1	100%

* Risk Subcommittee ** Audit Subcommittee

HUMAN RESOURCES, SOCIAL AND ETHICS COMMITTEE

The function of this subcommittee is to ensure that the OPFA's social and ethics responsibilities and policies are implemented effectively. The subcommittee's responsibilities include monitoring and overseeing OPFA social and ethics activities, employee welfare program, consumer education and outreach activities, employment equity plan implementation, and risk management. The subcommittee met four times in this review period, with attendance shown below.

No.	Member	Appointment Date	Total Meetings	Attendance %
1	Tracy Randall	1 September 2025 - 31 August 2026	3/3	100%
2	Luyanda Ntuane	1 September 2025 - 31 August 2026	3/3	100%
3	Freddy Raseote	1 September 2025 - 31 August 2028	3/3	100%
4	Phasoane Mokgobu	1 July 2023 - 31 August 2026	4/4	100%
5	Dudu Msomi	1 July 2023 - 30 June 2025	1/1	100%
6	Suriya Hamdulay	1 July 2023 - 30 June 2025	1/1	100%
7	Khali Mufuoa	1 July 2023 - 30 June 2025	1/1	100%
8	Vanisha Balgobind	1 July 2023 - 31 August 2026	1/1	100%

REMUNERATION COMMITTEE

The Remuneration Committee (REMCO or Committee) is committed to applying independent and objective oversight. Its mission is to ensure that remuneration and associated practices are market-related, responsible and justifiable which enables the OPFA to attract, motivate and retain top talent, as well as execute on its business strategy.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

In line with King V, the OPFA REMCO comprise of members with an appropriate balance of skills, experience, independence and perspectives to support objective and effective oversight of remuneration governance. The Committee is established by the PFA, as the accounting authority and serves to support the PFA providing independent oversight and recommendations on remuneration matters to ensure fair, responsible and strategic rewards practices that align with OPFA's objectives.

The Committee consists of five (5) members and met four (4) times in this review period, with attendance reflected below.

No.	Member	Appointment Date	Total Meetings	Attendance %
1	L Molebatsi (Chairperson)	1 July 2023 – 30 June 2025; 1 September 2025 to 31 August 2026	4/4	100%
2	T Kharametsane	1 July 2023 – 30 June 2025; 1 September 2025 to 31 August 2026	4/4	100%
3	V Balgobind	1 July 2023 – 30 June 2025; 1 September 2025 to 31 August 2026	4/4	100%
4	T Randall	1 July 2023 – 30 June 2025; 1 September 2025 to 31 August 2026	4/4	100%
5	P Mokgobu	1 July 2023 – 30 June 2025; 1 September 2025 to 31 August 2026	4/4	100%

REMUNERATION PHILOSOPHY AND POLICY

The remuneration mix that is catered for by the OPFA is based on guaranteed package and variable pay. The OPFA has opted for a remuneration strategy and philosophy aimed at ensuring that the organisation remains relevant, competitive and continues to motivate its employees to achieve their organisational goals. The OPFA aims to provide competitive, performance driven remuneration that attracts, motivates and retains high performing employees while ensuring internal equity and long-term sustainability. The approved remuneration and rewards policy states that OPFA's pay philosophy is to benchmark salaries from -12% below market median up to 25% above market median and to provide flexible short-term/long-term incentives and retention related incentives that promote talent attraction and retention.

On an annual basis the OPFA conducts remuneration practices review and compares OPFA remuneration to the market. This provides insight regarding the competitiveness of the OPFA remuneration levels relative to the market and provides useful information on individual employees pay against the OPFA remuneration philosophy. On a gradual basis the OPFA implements structural adjustments at least twice a year for employees that fall below the target remuneration range and are performing satisfactory. In addition, the OPFA implements performance-based salary increases at the start of the calendar year.

The OPFA also provides performance incentives for its staff, in the form of annual performance bonuses and PFA's discretionary incentives. These are linked to organisational performance and individual employee performance. Organisational performance targets are set annually and approved by the PFA as the accounting authority. The OPFA team performance targets are linked to organisational targets and cascaded to individual performance goals. Performance bonuses are determined based on an eligibility criterion that is determined by management of the OPFA and approved by the accounting authority. All incentives are funded from approved budget and savings realised during the year. Performance incentives are subject to REMCO recommendation and accounting authority's approval each year and are supported by organisational performance for the specific year.

ROLE OF THE REMUNERATION COMMITTEE

The committee is tasked to ensure that senior management and staff are appropriately rewarded to ensure, as far as possible, that the organisation can recruit, retain and motivate people with the skills required.

As mentioned above, REMCO is a Committee of the accounting authority. Its purpose is to ensure that the OPFA adheres to fair pay practices and that staff are rewarded appropriately. The Subcommittee, amongst other things, dealt with the following key matters relating to the OPFA's remuneration over the past year:

Quarter 1 (Apr - Jun)	• Market Survey Report • Employee Performance Report (Year -end) • Employee Bonusses Review • Discretionary Incentives • Structural adjustment Review • Remuneration and Rewards Policy Review
Quarter 2 (Jul - Sep)	• Retirement Benefit Report • HR and Organisational Risk Register
Quarter 3 (Oct - Dec)	• Employee Performance Report (Mid-year) • Salary Increases • Structural Adjustments • Discretionary incentives • PFA and DPFA Performance Incentives
Quarter 4 (Jan - Mar)	• Employee Cost Budget • Retirement Benefit Report • HR and Organisational Risk Register

KEY REMUNERATION DECISIONS IN 2025/26

The OPFA performance cycle is aligned to the financial year end of 31 March. Performance reviews considered, covering the period 01 April 2025 to 31 March 2026, were used for the purposes of incentive bonus determination as indicated above. This is to ensure that overall annual organisational performance is linked to individual performance over the same period and the consequential rewards.

The OPFA remuneration strategy indicates that the remuneration of staff be benchmarked between market median -12% and up to 25% above market median. The OPFA effected staggered structural adjustments for those employees whose performance is considered satisfactory and were paid below -12% of the market median. Structural adjustments are granted twice a year in July and December to performing and deserving employees, to bring their salaries closer to the market median. The table below summarises adjustments made in July 2025 and December 2025:

Table 1 - Summary of structural adjustments

No. of Staff	Average adjustment	Motivation
July 2025		
10	7.5%	Salaries of staff and MANCO members who were performing satisfactorily and paid below the OPFA remuneration strategy were addressed through structural adjustment. The structural adjustment was also used to retain high performing employees who contribute extraordinarily to the OPFA achievement of objectives.
December 2025		
12	5.25%	Salaries of staff and Manco members who were performing satisfactorily and paid below the OPFA remuneration strategy were addressed through structural adjustment.

Performance incentives were approved and implemented for all staff in July 2025 as per table 2 below.

Table 2 - Summary of incentives

No. of Staff	Average adjustment	Motivation
July 2025		
47 (64%)	R2 678 934.41	Performance bonuses paid to high-performing staff members. Refer to section 2.4 for management remuneration, including incentive bonuses.

The following average salary increases for all staff were approved and implemented in January 2026. The DPFA salary increase approval from the Minister was obtained in February 2026:

Table 3 - Average salary increases

No. of Staff	Average adjustment	Motivation
January 2026 - All Staff		
78	3.96%	Annual CTE increase linked to performance
February 2026 - DPFA		
1	4%	Annual CTE increase approved by the Minister, effective 01 January 2026.

SUMMARY OF EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

The summary of management's (MANCO) remuneration is listed below. The remuneration, including benefits and short-term incentives, is considered competitive to motivate and retain the management team. The incentive bonuses of the executive management are adapted from the FSCA methodology. The decoupling process from the FSCA is at the final stages and the OPFA management have initiated a process to develop its Short-term and Long-term Incentive Policy, which expected to be completed in the 2026/27 financial year.

Table 4 – Summary of Management (MANCO) Remuneration Mix

Name	Total Earnings*	Incentive bonus	Total
LP Mogashoa PFA (A: 08 December 2026)	1 103 206	-	1 103 206
M Lukhaimane PFA (CE: 07 December 2025)*	3 651 053	-	3 651 053
N Essop DPFA	2 443 715	-	2 443 715
B Makunga EHCS & CFO	3 128 779	445 638	3 574 417
L Jadoonandan	1 673 562	125 777	1 799 339
LL Rabotapi SAA-Team Leader	1 649 000	-	1 649 000
S Mothupi SAA-Team Leader	2 083 052	141 409	2 224 461
NG Kutama SAA-Team Leader	1 861 868	-	1 861 868
W Groenewald NCUS	1 286 524	-	1 286 524
NP Ntshangase SLA	1 569 092	-	1 569 092
C Manenzhe ITSM	1 919 687	124 911	2 044 598
TP Mankga (A: 01 October 2025)	716 008	-	716 008
Ms KE Molepo (A: 01 August 2025)	1 024 903	-	1 024 903
	24 110 449	837 735	24 948 184

CE - Contract Ended **R** - Resigned; **A** - Appointed; **E** - Executive Management

* - Total earnings based on CTC, including fringe benefits and retirement benefits

In accordance with the ACT, the remuneration of the PFA and the DPFA is determined by the Minister of Finance. Performance incentive bonuses recommended by the Committee for the DPFA and the former PFA were submitted to National Treasury in November 2025, but approval from the Minister of Finance had not been received by the reporting date. Engagements with the Ministry and National Treasury are continuing to resolve this outstanding matter.

In conclusion, the Remuneration Committee remains dedicated to supporting the PFA and providing independent and objective oversight for the OPFA. The current remuneration practices are considered appropriate, competitive, enabling the OPFA to attract, motivate, and retain top talent.

THE ADVISORY COMMITTEE

The Advisory Committee is established as a strategic governance support structure to the PFA. Its primary role is to provide timely advice and guidance on urgent and cross-cutting matters arising from the OPFA's governance committees. The Committee provides strategic recommendations to enhance governance effectiveness and mitigate risks that may impact the OPFA's mandate and operations, ensures alignment of decisions and actions with strategic objectives and fiduciary obligations, and promotes ethical conduct and accountability through transparency and sound decision-making practices.

During the period under review, the Committee held two meetings. The first meeting, held on 11 December 2025, served as the inaugural session, during which the Committee was formally established by the Accounting Authority and its purpose, roles, and relationship with other governance committees were outlined. The meeting was chaired by the former PFA and also provided an opportunity to bid farewell to Committee members.

The second meeting, held on 27 March 2026, focused on introducing the newly appointed PFA and outlining his expectations for the Committee under the new leadership. A key outcome of the meeting was the finalisation of the Committee's Terms of Reference, including the clarification of its purpose and mandate within the revised governance framework.

DIVERSITY REPRESENTATION SNAPSHOT

AUDIT AND RISK COMMITTEE 4 Total members	HRSEC 4 Total members	RESCO 5 Total members	ADVISORY COMMITTEE 4 Total members	COMBINED 17 Committee members
AUDIT AND RISK COMMITTEE Race: Black 3/75% White 1/25%  Gender: Female 50% Male 50% 	HRSEC Race: Black 3/75% White 1/25%  Gender: Female 25% Male 75% 	RESCO Race: Black 4/80% White 1/20%  Gender: Female 60% Male 40% 	ADVISORY COMMITTEE Race: Black 62% White 38%  Gender: Female 46% Male 54% 	

The governance committees demonstrate a strong commitment to diversity and inclusion, with a combined membership of 13 individuals. Overall, racial representation comprises 85% Black members and 15% White members, while gender representation is relatively balanced at 54% male and 46% female. Overall, the governance committee composition reflects strong racial representation and near-balanced gender diversity, supporting inclusive governance and decision-making.

OPFA Governance Committee members and qualifications

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
Frans Nicolaas Esterhuizen	Audit and Risk Committee	Master's (University of Johannesburg); Master's (University of London); Bachelor's Honours (University of South Africa); Bachelor's Degree (Technikon Pretoria); professional qualifications through the Institute of Internal Auditors and ACCA	Governance, risk management and compliance; internal audit; insurance regulation; financial management; corporate governance; business continuity; PFMA compliance; strategy	The Insurance Crime Bureau (ICB) NPC; The Fire Protection Association of Southern Africa; Business Against Crime South Africa	ACCA South Africa; Business Leadership South Africa
Portia Desia Maluleke	Audit and Risk Committee	PhD (Information Technology); Master's in Information Technology; BCom (Informatics); National Diploma (IT); COBIT 5; Project Management Professional; Leadership Development Programme	Technology and corporate governance; business and IT strategy; digital transformation; technology leadership; enterprise architecture; project and programme management; risk management; information security; organisational change management	World Vision South Africa; Institute of Chartered IT Professionals; Department of Telecommunications	Companies Tribunal; Financial Sector Conduct Authority (FSCA); Ikusasa Student Financial Aid Programme (ISFAP); FAIS Ombud
Tania Ajam	Audit and Risk Committee	PhD (Public Management); Certificate in Occupationally Directed Education and Training Practice; MA; BA (Hons) Economics; MBusSc; BBusSc	Public policy; public financial management; economics; intergovernmental fiscal relations; monitoring and evaluation; governance; tax policy; research and postgraduate teaching	Davis Tax Committee; South African Reserve Bank; Inca Portfolio Managers; Financial and Fiscal Commission of South Africa; Academic Board of Economic Research Southern Africa (ERSA)	President's Economic Advisory Council

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
Norman Tinyiko Baloyi	Audit and Risk Committee	MPhil Development Finance; MBA; Master of Public Administration (mini-dissertation pending); MSc Electronics; MSc Electrical Engineering; Leadership in Municipal Governance; Postgraduate Diploma in Risk Management; Postgraduate Diploma in Internal Auditing; BSc (Hons) Computational and Applied Mathematics; BCom Financial Management; Certified Director; CRM Prac.; CISA; CISM; CISSP	Corporate governance; IT governance; enterprise risk management; internal audit; information security; finance; strategy; operations; public-sector governance; project management	Trans-Caledon Tunnel Authority (TCTA); South African Health Products Regulatory Authority (SAHPRA); South African Special Risk Insurance (SASRIA); Union Life; Rail Safety Regulator; Eskom; Windybrow Theatre; Capricorn College for Further Education and Training; Onderstepoort Biological Products; South African Council for Natural Scientific Professions; South African State Theatre; Ekurhuleni Metropolitan Municipality; National Regulator for Compulsory Specifications; Department of Mineral Resources and Energy; Mopani District Municipality; Greater Giyani Local Municipality;	South African Diamond and Precious Metals Regulator (SADPMR); South African Forestry Company SOC Limited (SAFCOL); Free State Department of Cooperative Governance and Traditional Affairs (COGTA); Private Security Industry Regulatory Authority (PSIRA); Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA); Thulamela Local Municipality

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
				Collins Chabane Local Municipality; Maruleng Local Municipality; Dr Pixley Ka Isaka Seme Local Municipality; City of Johannesburg Metropolitan Municipality; Companies Tribunal; CRL Rights Commission; Film and Publication Board; Magalies Water; National Agricultural Marketing Council; Aganang Local Municipality; Construction Industry Development Board	
Eliazer Phasoane Mokgobu	Human Resources, Social and Ethics Committee Remuneration Committee	DPhil (Political Science); MBA; MAdmin (Political Science); BAdmin Honours (International Politics); BAdmin; Diploma in Labour Law; Certificate in Human Resources Management; Programme in Human Resources Management; Executive National Security Programme	Human resources strategy and operations; organisational transformation; employee relations; employment equity; talent and performance management; remuneration; labour relations; coaching and mentorship; corporate governance; company secretarial services; ethics	South African Board for People Practices (SABPP); Institute of People Management Pretoria; National School of Government Advisory Committee	Mokgobu Consulting; Sinda Medical

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
Luyanda L. Ntuane	Human Resources, Social and Ethics Committee	Postgraduate Diploma in Management - Distributed Commercial Information Systems (University of Cape Town); Chief Information Officer (CIO): Professional Practice (University of Witwatersrand); Artificial Intelligence: Implications for Business Strategy (Massachusetts Institute of Technology SLOAN); Cybersecurity: Managing Risk in the Information Age (Harvard VPAL); Certified Information Security Manager (CISM®), Certified in Risk and Information Systems Control (CRISC™); Certified in the Governance of Enterprise IT (CGEIT®); Fundamentals of Cybersecurity - Certificate (University of Cape Town); Applied Project Management in an IT Environment (University of South Africa)	Business and IT Strategy Development; Corporate and IT Governance; Digital Transformation Governance, Risk, and Compliance (GRC); Enterprise Risk Management; Cybersecurity Management; Enterprise Architecture; Information Technology Management; Banking, Investment, and Asset Management Systems; Project and Programme Management; Driving Organisational Performance Leadership	Financial Sector Conduct Authority (FSCA) NED: Cooperative Banks Development Agency (CBDA) NED: Small Enterprise Finance Agency NED: Small Enterprise Development Agency Ubank - Board Advisory Public Investment Corporation MWEB ISP Ithala Development Finance Corporation Standard Bank Old Mutual South African Reserve Bank (SARB) Unilever SA	NED: Small Enterprise Development and Finance Agency (SEDFA) NED: Khula Credit Guarantee (KCG) Motus Car Rental Office of the Pension Funds Adjudicator (OPFA) Office of the Ombud for Financial Services Providers (FAIS Ombud)

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
Tracy Lea Randall	Human Resources, Social and Ethics Committee Remuneration Committee	BCompt (Accounting and Auditing); Secretarial Diploma; Risk Management Certificate; Performance Auditing in the Public Sector; Minimum Anti-Corruption Capacity	Human resources management; organisational development; recruitment; performance and talent management; employee relations and wellness; ethics management; anti-corruption; enterprise risk management; internal audit; business continuity; governance	Eastern Cape Department of Economic Development, Environmental Affairs and Tourism	State Security Agency; Food and Beverage SETA; Department of Rural Development and Land Reform; Government Communication and Information System
Dudu Msomi	Human Resources, Social and Ethics Committee	BA Honours; Postgraduate Diploma in Advertising and Marketing; Postgraduate Diploma in Corporate Governance; Programme for Management Development; MBA; Corporate Law studies	Corporate governance; ethics; human resources leadership; transformation; strategy formulation and implementation; board development and appraisal; leadership and executive coaching; communications; marketing; change management	AAA Board; Advertising Standards Association Properties Committee; Black Management Forum; Institute of People Management Board	Financial Services Board; Agricultural Research Council; BCD Travel
Freddy Raseote	Human Resources, Social and Ethics Committee	Postgraduate Diploma in Public Procurement Policy and Regulation; Professional Diploma in Procurement and Supply, in progress; Advanced Diploma in Procurement and Supply; Diploma in Procurement and Supply; Advanced Programme in Taxation; Postgraduate Diploma in Forensic Auditing; Advanced Programme in Sourcing and Supply Chain Management; BCom in Accounting	Human resources and corporate services oversight; public procurement; supply chain and asset management; financial management; governance; ethics; risk management; forensic auditing; people management; compliance	Sekhukhune Development Agency; Letaba TVET College; Western Cape Community Education and Training College; Radio Turf FM; Student Christian Organisation, University of Limpopo	Alexkor SOC Ltd; uMsunduzi and Ncome Museums; University of Zululand; North West Housing Corporation; South African Language Practitioners Council; KwaZulu-Natal Amafa and Research Institute

Name Of Member	OPFA Governance Committee	Qualifications	Skill/Experience	Previous Organisations Served	Current Boards/ Positions (Organisations)
Lerato Molebatsi	Remuneration Committee	Senior Executive Leadership Program for Africa; Diploma in Senior Management Development Programme; Postgraduate Diploma in Rural Development and Management; BA Psychology	Executive leadership; strategy and planning; governance; stakeholder management; transformational leadership; corporate services; human resources oversight; policy development; employee benefits communications	General Electric South Africa; Lonmin PLC; Department of Labour; Department of Transport; Sanlam/ Ubuntu Botho; Old Mutual; Alexander Forbes	South African Reserve Bank; Adrian Group (Kenya); Sphere Solutions Group
Thapelo E. Kharametsane	Remuneration Committee	LLB; Attorney of the High Court of South Africa; Certificate of Right of Appearance in the High Court; Legislative Drafting Certificate; RE1 Regulatory Examination Certificate	Employment and labour law; collective bargaining; wage and employment-condition negotiations; disciplinary processes; employment contracts; investigations; policy drafting; compliance; legal risk; due diligence	Van der Merwe Du Toit Incorporated	Thapelo Kharametsane Attorneys
Vanisha Balgobind	Remuneration Committee	Bachelor of Administration; BAdmin Honours (Industrial Psychology); Master's in Industrial Psychology; Master of Business Leadership; Registered Industrial Psychologist	Remuneration strategy and offering; people strategy; performance management; talent management; workforce planning; succession planning; organisational development; coaching and mentoring; employee value proposition; HR policy; transformation	Kumba Resources; Iscor Mining	Exxaro Resources; Exxaro Pension Fund; Exxaro Foundation; Exxaro People Development; Exxaro Ethics Committee; Exxaro Women in Mining; Exxaro Remco; Exxaro Social and Ethics Committee

OPFA COMBINED ASSURANCE REPORT 2025/26

The OPFA combined assurance process is evaluated at three levels of defence namely first line (OPFA Management), second line (AA and internal subject matter experts) and third line (external assurance providers and oversight bodies). The OPFA combined assurance effectiveness status was considered satisfactory as indicated in table below:

First line of defence		
MANCO EXCO	Provides Satisfactory Assurance	- OPFA management runs the day-to-day operations of the OPFA. The performance of the organisation is detailed in the annual performance report. - EXCO provides strategic direction, performance monitoring and evaluation. - In-year reports are made available to the governance committees, AA and the National Treasury on a quarterly basis.
Second line of defence		
Accounting Authority - PFA Risk and Compliance Officer Senior Legal Advisor	Provide Satisfactory Assurance	- The Adjudicator, as the Accounting Authority, was ultimately accountable and responsible for the OPFA performance. The Adjudicator reviewed and approved policies. - Risk and Compliance Officer provided assurance to the respective OPFA Governance Committees and presented risk and compliance related reports. These committees include the Audit and Risk Committee and other Governance Committees. - The Senior Legal Advisor together with the Adjudicator, reported progress of litigation and other legal matters to the Risk Governance Committee on a quarterly basis.
Third line of defence		
Internal External Audit (Nexia SAB&T) External Audit (Auditor-General South Africa) Ombud Council Executive Authority (Minister of Finance)	Provide Satisfactory Assurance	- The internal audit function was outsourced to Nexia SAB&T for a fixed contract of 53 months, from 01 February 2025 to 31 July 2029. Audits were executed according to the plan and reports tabled in the Audit Committee during the quarterly meetings. - The external audit services are rendered by the Auditor General South Africa (AGSA), as required by the Public Audit Act. External auditors presented audit strategy and engagement and their reports to the Audit Committee at least annually. - There was continuous engagement between the OPFA and the Ombud Council. The OPFA provided input on the ombud rules and commenced with reporting on the Ombud Council reporting framework. In addition, an onsite inspection was conducted by the Ombud Council on 23 March 2026, and a report was issued. - There was continuous engagement with the National Treasury throughout the year on a variety of issues including the new strategic plan, budgeting and in-year reporting. - Quarterly performance and financial reports were provided to National Treasury.

Executive Authority

The OPFA reports to the Minister of Finance, the Executive Authority, in terms of section 63(2) of the PFMA. In the year under review, the OPFA submitted all legislated documents within the stipulated timeframes. The OPFA engaged extensively with National Treasury teams on various matters to improve the effectiveness and efficiency of its operations. The discussions aimed to resolve a persistent issue with the delay in collecting levies each financial year. This issue poses a strategic risk to the OPFA's operations by negatively affecting planning, timing, and the delivery of strategic projects.

Diversity: Governance Committee

Categories	Audit and Risk Committee	HRSEC	REMCO
Black (includes coloured and Indian)	3	4	5
White	1	0	0
Female	2	1	3
Male	2	3	2





PART C



COMPLIANCE

2025/26 COMPLIANCE REGULATORY UNIVERSE



The OPFA maintained and monitored its Compliance Regulatory Universe to ensure continued oversight of applicable legislative and regulatory obligations. The table below provides a summary of the 25 pieces of legislation included in the Compliance Regulatory Universe, indicating the assessment status, compliance position and improvement rating for disclosure purposes.

LEGEND

- High
- Medium
- Low
- No impact

NR	LEGISLATION	ASSESSMENT	COMPLIANCE STATUS	RATING
1	Pension Funds Act, 24 of 1956	Full	100% Compliant	15
2	Financial Sector Regulation Act, 7 of 2017	Full	100% Compliant	15
3	Protection of Personal Information Act, 4 of 2013	Full	100% Compliant	15
4	The Cybercrimes Act 19 of 2020	Partial	Compliance - 75%	13
5	Promotion of Access to Information Act, 2 of 2002	Full	100% Compliant	12
6	Promotion of Administrative Justice Act, 3 of 2002	Full	100% Compliant	12
7	Employment Equity Act, 55 of 1998	Full	100% Compliant	12
8	Public Finance Management Act, 1 of 1999	Full	100% Compliant	10
9	Preferential Procurement Policy Framework Act, 5 of 200	Full	100% Compliant	10
10	The Use of Official Languages Act, 12 of 2012	Full	100% Compliant	9
11	Labour Relations Act, 66 of 1995	Full	100% Compliant	8
12	Prevention and Combating of Corrupt Activities Act, 12 of 2004	Full	100% Compliant	8
13	The National Archives Act (43 of 1996)	Partial	Compliance - 81.2%	8
14	The Disaster Management Act 57 of 2002	Partial	Compliance - 90.91%	8
15	Occupational Health and Safety Act, 85 of 1993	Full	100% Compliant	6
16	General Administrative Regulations, June 2003	Full	100% Compliant	6
17	Skills Development Act, 97 of 1998	Full	100% Compliant	6
18	Basic Conditions of Employment Act, 75 of 1997	Full	100% Compliant	6
19	Broad-Based Black Economic Empowerment Act, 53 of 2003	Full	100% Compliant	6
20	Tax Administration Act No 28 of 2011	Full	100% Compliant	6
21	Electronic Communications and Transactions Act, 25 of 2002	Full	100% Compliant	6
22	Compensation for Occupational Injuries and Diseases Act, 130 of 1993	Full	100% Compliant	2
23	Unemployment Insurance Act, 63 of 2001	Full	100% Compliant	2
24	Protected Disclosures Act, 26 of 2000	Full	100% Compliant	2
25	Prevention of Organised Crime Act, 121 of 1998	Full	100% Compliant	2



PFMA COMPLIANCE REPORT

A. Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025 R	2025/2026 R
Opening Balance	37 492	0
Add: Irregular Expenditure confirmed	-	-
Less: Irregular Expenditure condoned	37 492	-
Less: Irregular Expenditure not condoned and removed	-	-
Less: Irregular Expenditure recoverable	-	-
Less: Irregular Expenditure not recovered and written off	-	-
Total	0	0

There were no Irregular expenditure matters identified by management in 2025/26.

RECONCILING NOTES

Description	2024/2025 R	2025/2026 R
Irregular expenditure that was under assessment in 2024/25	-	-
Irregular expenditure that relates to 2024/25 and identified in 2025/26	-	-
Irregular expenditure for the current year	-	-
Total	0	0

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

Description	2024/2025 R	2025/2026 R
Irregular expenditure under assessment	-	0
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	0	0

b) Details of current and previous year irregular expenditure condoned

Description	2024/2025 R	2025/2026 R
Irregular expenditure condoned.	37 492	-
Total	0	0

c) Details of current and previous year's irregular expenditure removed - (not condoned)

Description	2024/2025 R	2025/2026 R
Irregular expenditure not condoned and removed.	-	-
Total	0	0

d) Details of current and previous year irregular expenditure recovered

Description	2024/2025 R	2025/2026 R
Irregular expenditure recovered.	-	-
Total	0	0

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

Description	2024/2025 R	2025/2026 R
Irregular expenditure written off	-	-
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

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

Description	2024/2025 R	2025/2026 R
N/A	-	-
Total	0	0

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

Disciplinary steps taken
N/A

FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R	2025/2026 R
Opening Balance	-	-
Add: Fruitless and wasteful expenditure confirmed	23 332	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	23 332	-
Closing balance	0	0

No fruitless and wasteful expenditure was identified in the 2025/26 financial year.

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

There were no material losses identified in the 2024/25 and 2025/26 financial years.

B. Information on late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value R
Valid invoices received.	707	R37 372 430
Invoices paid within 30 days or agreed period	707	R37 372 430
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-



SCM

From left to right: Lufuno Balibali, Happy Nelwamando, Vusi Mthembu and Magadi Tshitanyane

The OPFA is committed to ensuring that small, micro and medium enterprises are paid on time and remain financially sustainable. In the 2025/26 financial year, 100% of valid supplier invoices were settled within 30 days.

C. Information on Supply Chain Management

Procurement by other means

There was no procurement classified as Procurement by other means in the 2025/26 financial year.

Contract variations and expansions by more than 15%

No.	Name of Service Provider	Description of service	Contract Number	Original Contract Amount	Value of Previous contract variations	Variation Amount
				R	R	R
1	Riverwalk Office Park	Office Lease	Memo	39 498 808.98	5 553 522.00	10 131 259.87
2	Metrofile	Off-Site Storage Services	OPFA/ OFF/02 2021	2 846 490.76	None	474 415.10
Total						10 605 674.97

All contract variations during the 2025/26 financial year were approved by the delegated authority.

FSR ACT COMPLIANCE REPORT



Reference	Requirements	Application 2024/25	Application 2025/26
Section 248 (7)(a)	The total number of supervised entities who paid levies imposed in accordance with section 237(1)(b)	981	868
Section 248 (7)(b)	The total funds distributed from the designated bank account referred to in section 246(2) to the designated bank account of each financial sector body referred to in section 246 (1)	Not applicable	Not applicable
Section 248 (8)(a)	The total number of persons who paid fees determined by that financial sector body in the financial year	Not applicable	Not applicable
Section 248(8)(b)	The total number of supervised entities who paid levies imposed in accordance with section 237(1)(b)	981	868
Section 248(8)(c)	The total fees collected by the financial sector body	Not applicable	Not applicable
Section 248(8)(d)	The total levies collected on behalf of and received by the financial sector body	R120 516 107	R116 350 814.80



B-BBEE REPORT

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Based on the verification conducted, the OPFA received a level 8 B-BBEE status level of contributor, the same level as from the prior year. The verification outcome is as follows:

	Weight	Scores Achieved
Management Control	20	14.60
Skills Development	25	9.48
Enterprise & Supplier Development	50	36.74
Socio Economic Development	5	5.00
TOTAL SCORE	100	65.82

Management Control

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Board Participation	Exercisable voting rights of black board members as a percentage of all board members	2	50.00%	83.33%	2.00
	Exercisable voting rights of black female board members as a percentage of all board members	1	25.00%	33.33%	1.00
	Black persons who are executive directors as a percentage of all executive directors	2	50.00%	100.00%	2.00
	Black female executive directors as a percentage of all executive directors	1	25.00%	0.00%	0.00
Other Executive Management	Black Other Executive Management as a percentage of all Other Executive Management	2	60.00%	100.00%	2.00
	Black female Other Executive Management as a percentage of all Other Executive Management	1	30.00%	0.00%	0.00
Senior Management	Black employees in Senior Management as a percentage of all Senior Management	2	60.00%	44.01%	1.47
	Black female Employees in Senior Management as a percentage of all Senior Management	1	30.00%	13.24%	0.44
Middle Management	Black Employees in Middle Management as a percentage of all Middle Management	2	75.00%	70.23%	1.87
	Black female Employees in Middle Management as a percentage of all Middle Management	1	38.00%	35.74%	0.94

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Junior Management	Black Employees in Junior Management as a percentage of all Junior Management	2	88.00%	1.90	1.88
	Black female Employees in Junior Management as a percentage of all Junior Management	1	44.00%	0.98	0.97
Disabled	Black Employees with disabilities as a percentage of all employees	2	2.00%	0.00	1.41
					14.60

Skills Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Skills Development Expenditure	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leivable Amount	9	6.00%	2.67%	4.01
	Skills Development Expenditure on Learning Programmes specified in the Learning Programme Matrix for black people as a percentage of Leivable Amount	4	0.30%	0.00%	0.01
Learnerships	Number of black people participating in Learnerships, Apprenticeships and Internships as a percentage of total employees	6	2.50%	2.28%	5.46
Unemployed Learners	Number of black unemployed people participating in training specified in the Learning Programme Matrix as a percentage of total employees	6	2.50%	0.00%	0.00
Bonus Points	Number of black people absorbed by the Measured and Industry Entity at the end of the Learnerships programme	5	100.00%	0.00%	0.00
					9.48

Enterprise Supplier Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Preferential Procurement	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a Percentage of Total Measured Procurement Spend	5	80.00%	94.78%	5.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	4	15.00%	45.91%	4.00

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
	B-BBEE Procurement Spend from Exempted Micro- Enterprise suppliers based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	15.00%	29.01%	5.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are at least 51% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	11	40.00%	50.62%	11.00
	B-BBEE Procurement Spend from all Empowering Suppliers that are at least 30% Black Women Owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	5	12.00%	40.49%	5.00
Bonus Points	B-BBEE Procurement Spend from Designated Group Suppliers that are at least 51% Black owned based on the B-BBEE Recognition Level	2	2.00%	5.27%	2.00
Supplier Development	Annual value of all Qualifying Supplier Development Contributions made by the Measured Entity as a percentage of the target	15	2.00%	0.63%	4.74
Enterprise Development	Annual value of Enterprise Development Contributions and Sector Specific Programmes made by the Measured Entity as a percentage of the target	5	1.00%	0.00%	0.00
Bonus Points	Bonus point for graduation of one or more Enterprise Development beneficiaries to graduate to the Supplier Development level	1	Yes	No	0.00
	Bonus point for creating one or more jobs directly as a result of Supplier Development and Enterprise Development initiatives by the Measured Entity	1	Yes	No	0.00
					36.74

Socio-Economic Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
SED Contributions	Annual value of all Socio-Economic Development Contributions made by the Measured Entity as a percentage of the target	5	1.00%	6.10%	5.00
					5.00





PART D



AUDIT OUTCOMES

AUDIT ASSURANCE



INTERNAL AUDIT FUNCTION

The internal audit function is an independent function governed by an Internal Audit Charter approved by the Audit Subcommittee providing a clear mandate for the internal audit function to operate effectively. An internal audit charter is a formal document that defines the internal audit function's purpose, authority, and responsibility within the OPFA. It establishes the internal audit function's position within the organisation, including its reporting structure, access to records, personnel, and physical properties relevant to the performance of audit engagements. The charter outlines the scope of the internal audit activities, the standards of audit practice to be followed, and the independence required to maintain objectivity.

The following audits were completed during the year under review (completed by Nexia SAB&T):

No.	Audit Focus Area	Audit Timing 2025/26	Audit Outcome	Nr of Findings raised
1.	Annual Financial Statements (AFS) Review	May 2025		0
2.	Annual Performance Report (APR) Review	May 2025		0
3.	ICT Review	July 2025		4*
4.	Finance Management Review	January 2026		0
5.	Procurement and Contracts Management	January 2026		0
6.	Case Management Review	October 2025		2*
7.	Follow-Up Review	November, January and March		0
8.	Reporting against predetermined objectives	July, October and January		1*
9.	Ad hoc and Special requests: Review of the Strategic Plan and Annual Performance Plan	January 2026		0

■ Completed. No audit finding raised/Findings raised and addressed.

■ Completed. Audit findings raised.

* Low risk audit findings

EXTERNAL AUDIT FUNCTION

The OPFA as a public entity, is audited by the Auditor-General South Africa in accordance with the Public Audit Act 25 of 2004. The AGSA focuses on the audit of the annual financial statements, compliance with laws and regulations and reliability of the reported organisational performance information. The OPFA obtained a clean audit outcome for the 2025/26.

REPORT OF THE AUDITOR-GENERAL ON THE OFFICE OF THE PENSION FUNDS ADJUDICATOR

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Office of the Pension Funds Adjudicator (the public entity) as set out on pages 138 to 179, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, the cash flow statement and the 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 Office of the Pension Funds Adjudicator as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical

requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP as issued by the Accounting Standards Board of South Africa and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that

an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 80-81, forms part of my auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

10. 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 material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to Programme 1: Disposal of Complaints presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- NCU to acknowledge Complaints received within 2 working days (Excluding walk-ins)
- Refer RtF complaints to respondents for direct resolution with the complainant within 5 working days from the date of instruction
- Case Management Unit (CMU) to refer unresolved complaints that were initially referred by the NCU to respondents for a reply within 5 working days of receipt from NCU/ERU

- Finalise complaints within 6 months (180 days) from the date of receipt as: Relief granted, Dismissed, Settled, Out of jurisdiction
- Minimise percentage of OPFA determinations remitted by the Financial Sector Tribunal (FST) for reconsideration on the same facts
- ERU to finalise complaints within 90 days as: Resolved by funds, Out of jurisdiction
- All complaints to be closed within 2 days of allocating them for closure
- Improved systems availability
- Develop a digitalisation strategy

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

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
18. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 81 to 87.

Programme 1: Disposal of Complaints

Targets achieved: 89%		
Key indicator not achieved	Planned target	Reported achievement
Develop a digitalisation strategy	OPFA digitalisation Strategy	Not achieved

REPORT ON COMPLIANCE WITH LEGISLATION

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. 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.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

23. The accounting authority is responsible for the other information included in the annual report, which includes the foreword by the Minister of Finance, message from the Pension Funds Adjudicator and audit committee's report. The other Information referred to does not include the financial statements, the auditor's report and those selected material Indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements, the report on the audit of the annual performance report and report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

27. 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.
28. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

31 July 2026



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	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; 16A.7.1; 16A.7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

A hand is pointing towards a digital interface. The interface features a large circular graphic with a checkmark inside, surrounded by several smaller icons: a gear with a sand timer, a pie chart, a document with a checkmark, a shield with a checkmark, and a bar chart with an upward arrow. The background is a blurred image of a person in a white lab coat.

PART E

A simple hexagonal icon with a double outline.

ORGANISATIONAL PERFORMANCE

OVERVIEW OF PERFORMANCE



SERVICE DELIVERY ENVIRONMENT

The OPFA delivers on its statutory mandate in terms of the Pension Funds Act by providing a procedurally fair, equitable, and expeditious resolution of complaints within the retirement funds industry. The service delivery environment is shaped by increasing volumes of complaints, evolving regulatory developments, stakeholder expectations, and the need to enhance accessibility through digital and physical channels

The OPFA operates within a service delivery environment characterised by increasing demand for complaint resolution services, evolving regulatory developments, and heightened stakeholder expectations. During the 2025/26 financial year, OPFA recorded 13,041 complaints, reflecting a 26% increase compared to the previous year.

The increase was primarily driven by the implementation of the two-pot retirement system, enhanced stakeholder awareness, and prevailing economic pressures affecting retirement fund members. These pressures have exposed ongoing challenges in the retirement funds sector, including delays in benefit payments, non-compliance with contributions, and administrative inefficiencies.

In line with the PFMA and the National Treasury Framework for Managing Programme Performance Information (FMPPI), OPFA continues to ensure that performance reporting remains reliable, measurable, and aligned to predetermined objectives.

ORGANISATIONAL ENVIRONMENT

OPFA continues to operate within a framework of sound governance, effective performance management, and financial discipline, consistent with PFMA and National Treasury requirements.

Strong performance against key indicators, combined with improved accessibility initiatives such as the NFOSA partnership, positions OPFA to sustain service delivery improvements while responding to increasing demand.

SERVICE DELIVERY PERFORMANCE

OPFA achieved strong performance against its planned targets, reflecting improved efficiency and effective performance monitoring in line with DPME requirements:

- 99% of complaints acknowledged within 2 working days (target: 95%)
- 99% of complaints referred within prescribed timeframes
- 91% of complaints finalised within 180 days, exceeding the 90% target
- 99% of complaints closed within 2 days of allocation

In addition, the remittal rate remained low at 0.27%, indicating improved quality and consistency of determinations. These results demonstrate OPFA's continued commitment to efficient, fair, and timely dispute resolution, consistent with Batho Pele principles.

STAKEHOLDER ENGAGEMENT AND OUTREACH

OPFA strengthened its stakeholder engagement initiatives, contributing to increased awareness of its mandate and services. Outreach programmes, media engagements, and participation in industry platforms played a key role in improving accessibility and driving complaint intake levels.

To further enhance access to services, OPFA established an additional access point in collaboration with the National Financial Ombud Scheme South Africa (NFOSA) in Johannesburg. This

initiative improves geographic reach and supports inclusive access for complainants requiring in-person assistance.

ACCESSIBILITY AND PARTICIPATION

OPFA continues to promote inclusive service delivery through a hybrid model combining digital and physical access channels:

- 70% of complaints were received through digital platforms (email and website)
- 27% of complaints were lodged through walk-in channels

This reflects progress in digital accessibility, while highlighting the continued importance of physical access points to ensure equitable service delivery across diverse user groups.

INNOVATION

In line with government priorities on digital transformation, OPFA continues to enhance the use of technology to improve service delivery and accessibility. The increased utilisation of online complaint channels demonstrates gradual progress towards a more efficient and user-friendly service environment. However, the delay in the finalisation of the digitalisation strategy impacted the pace of digital transformation during the reporting period.

COLLABORATION.

Collaboration remains central to OPFA's service delivery model. The partnership with NFOSA to establish an additional access point demonstrates a coordinated approach to expanding service reach and improving accessibility. OPFA also continues to engage with industry stakeholders through outreach and awareness initiatives, supporting improved compliance and early resolution of disputes.

IMPACT (UPDATE DETERMINATION TO RANDS)

- OPFA's performance continues to contribute to improved accountability and governance within the retirement funds sector.
- Efficient resolution of complaints enhances protection of members' retirement benefits

- Increased stakeholder awareness supports greater access to dispute resolution mechanisms
- Complaint trends provide insights that drive improvements in fund governance and service standards.

Collectively, these outcomes contribute to a more transparent, responsive, and consumer-focused retirement funds environment.

CHALLENGES IN THE SERVICE DELIVERY ENVIRONMENT

Despite strong performance, the following challenges impacted service delivery:

- Significant increase in complaints volumes, placing pressure on operational capacity
- Continued reliance on physical access channels, indicating uneven digital access
- Persistent governance and compliance weaknesses within retirement funds
- Delay in digitalisation strategy implementation, affecting technology-driven improvements

Management continues to implement corrective measures in line with DPME monitoring and evaluation practices.

ORGANISATIONAL ENVIRONMENT

OPFA continues to operate within a framework of sound governance, effective performance management, and financial discipline, consistent with PFMA and National Treasury requirements. Strong performance against key indicators, combined with improved accessibility initiatives such as the NFOSA partnership, positions OPFA to sustain service delivery improvements while responding to increasing demand.

ANNUAL PERFORMANCE INFORMATION REPORT



ANNUAL PERFORMANCE INFORMATION REPORT 2025-26

Progress towards achievement of institutional impact and outcomes

The OPFA is structured into three programmes:

Disposal of complaints	Effective stakeholder management	Achieve operational excellence
OUTCOME: Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT. Performance summary for 2025/26FY Targets achieved (1 out of 7) - Percentage of complaints finalised within 90 days. Targets overachieved (6 out of 7) - Percentage of complaints acknowledged within the specified timeframe. - Percentage of RtF complaints referred to respondents within 5 working days. - Percentage of unresolved complaints referred to respondents within 5 working days. - Percentage of complaints finalised within 180 days. - Percentage of OPFA determinations remitted for reconsideration. - Percentage of complaints closed within 2 days of allocation for closure.	OUTCOME: Increase the OPFA's physical and digital footprint within South Africa to enable complainants to lodge complaints despite geographical locations. Performance summary for 2025/26FY Targets achieved (1 out of 2) Established access points across the country.	OUTCOME: Attract and retain a qualified and skilled workforce to execute the mandate. Performance summary for 2025/26FY Targets overachieved (2 out of 4) - Overall percentage of employees who report being engaged based on survey results. - Percentage implementation of Employment Equity plan for black employees, female employees, and employees with disabilities Targets not achieved (2 out of 4) - Percentage of planned employee wellness activities that have been successfully implemented. - Overall percentage of employees expressing satisfaction based on the climate survey results.

Disposal of complaints	Effective stakeholder management	Achieve operational excellence
OUTCOME: Optimisation of ICT systems to meet OPFA's dynamic service delivery requirements. Performance summary for 2025/26FY Targets overachieved (1 out of 2) - Percentage increase in system uptime or availability compared to a previous period, or the average uptime percentage over a defined period Targets not achieved (1 out of 2) - Developed OPFA digitalisation strategy	OUTCOME: Enhance OPFA's visibility and stakeholder engagement through impactful awareness programs and meaningful collaborations Performance summary for 2025/26FY Targets overachieved (1 out of 2) Percentage of stakeholder engagement activities that have been completed versus planned	OUTCOME: Maintain clean administration Performance summary for 2025/26FY Targets achieved (2 out of 2) - Obtain an Unqualified audit opinion from the Auditor-General - A percentage of valid OPFA Supplier invoices paid within 30 days



ANNUAL PERFORMANCE INFORMATION REPORT 2025-26

INSTITUTIONAL PERFORMANCE INFORMATION

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
PROGRAMME 1 – DISPOSAL OF COMPLAINTS Programme Purpose - To efficiently resolve complaints and improve service quality through leveraging advanced technology and optimising processes.								
1. Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT.	1.1 Percentage of complaints acknowledged within the specified timeframe.	NCU to acknowledge Complaints received within 2 working days (Excluding walk-ins)	99% 	Achieved: 100% 8075/8075 complaints acknowledged within 2 working days. • 37/37: Letters • 3686/3686: Emails • 4350/4350: Website • 2/2: Fax	95% 	Achieved: 99% 9506/9507 Complaints acknowledged within 2 working days. • Email 5837/5837 • Website: 3335/3335 • Letters: 334/335 NB • Could not be rounded off as 1 letter was acknowledged late. • 820 out of the 3534 walk-in complaints, were captured on the Website in our office and thus cannot be added under the website total, as it were walk-in complaints	4%Over-achieved 	• Auto acknowledgement of receipt of complaints lodged by email and website

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
	1.2 Percentage of RfF complaints referred to respondents within 5 working days.	Refer RfF complaints to respondents for direct resolution with the complainant within 5 working days from the date of instruction	96%	Achieved: 99.8% 6838 / 6851 RfF complaints referred to respondents by the NCU within 5 working days. NB - Could not round off actual outcome to 100% for rationality purposes as 13 complaints were referred to respondents late.	95%	Achieved: 99% 9081 / 9103 RfF complaints referred to respondents by the NCU within 5 working days. NB - Could not round off actual outcome to 100% for rationality purposes as 22 complaints were referred to respondents late.	4% Over-achieved	• Full complement of NCU admin assistants • Legal Interns – allocated for half year instead of months. • Active monitoring of completion of tasks within allocated timeframes by line managers • Appointment of NCU Assistant Adjudicator
	1.3 Percentage of unresolved complaints referred to respondents within 5 working days.	Case Management Unit (CMU) to refer unresolved complaints that were initially referred by the NCU to respondents for a reply within 5 working days of receipt from NCU/ERU	91%	Achieved 98% (6536/6660) complaints responded to within 5 working days	90%	Achieved: 99% (8353/8424) complaints responded to within 5 working days	9% Over-achieved	• Active monitoring of completion of tasks within allocated timeframes by line managers
	1.4 Percentage of complaints finalised within 180 days.	Finalise complaints within 6 months (180 days) from the date of receipt as: • Relief Granted, • Dismissed, • Settled, • Out of jurisdiction.	77%	Achieved 93% (7910/8499) Complaints finalised within six months • Settled: 1155 /1175 • Determinations: 4934/5434 • QJ: 1821/ 1890	90%	Achieved 91% (8552/9389) Complaints finalised within six months • Relief Granted: 5082/5635, • Dismissed: 604/737, • Settled: 1321 /1386 • QJ: 1545/1631	1% Over-achieved	• Motivated staff and cooperation from stakeholders.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
	1.5 Percentage of OPFA determinations remitted for reconsideration.	Minimise percentage of OPFA determinations remitted by the Financial Sector Tribunal (FST) for reconsideration on the same facts	≤1%	Achieved: 0.4%	≤1%	Achieved: 0.27%	0.73% Over-achieved	Improved quality of determinations produced.
	1.6 Percentage of complaints finalised within 90 days.	ERU to finalise complaints within 90 days as: - Resolved by funds, - Out of Jurisdiction.	99%	Achieved 99.9% 1538/1539 - Complaints finalised within 90 days. - Resolved by Fund: 715/715 - QJ: 823/824 NB - Could not round off actual outcome to 100% for rationality purposes as 1 complaint was closed late (OJ).	95%	Achieved 95% 1131/1189 Complaints finalised within 90 days. - Resolved by Fund: 601/604 - QJ: 530/585	Not applicable	Not applicable
	1.7 Percentage of complaints closed within 2 days of allocation for closure.	All complaints to be closed within 2 days of allocating them for closure	-	-	95%	Achieved: 99% 11021/11047 Complaints closed within 2 days of allocating them for closure NB - Could not round off actual outcome to 100% for rationality purposes as 1 complaint were closed in more than 2 working days	4% Over-achieved	Active monitoring of completion of tasks within allocated timeframes by line managers

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
2. Optimisation of ICT systems to meet OPFA's dynamic service delivery requirements	2.1. Percentage increase in system uptime or availability compared to a previous period, or the average uptime percentage over a defined period	Improved systems availability	-	-	90%	Achieved: 99% Systems availability	9% Over-achieved	Improved ICT systems
	2.2. Developed OPFA digitalisation strategy	Develop a digitalisation strategy	-	-	OPFA digitalisation Strategy	Not achieved	Digitalisation strategy not approved by 31 March 2026	The delay was primarily due to challenges in the planning and finalisation of the Strategy development timeously.

*Determinations: 6372 (Relief Granted: 5635 and Dismissed: 737)

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
PROGRAMME 2 – EFFECTIVE STAKEHOLDER MANAGEMENT								
Programme purpose 2 - To enhance stakeholder relationships and create awareness of OPFA's mandate, visibility, and accessibility through effective engagement.								
3. Increase the OPFA's physical and digital footprint within South Africa to enable complainants to lodge complaints despite geographical locations.	3.1. Established access points across the country.	Number of established access points across the country (2).	-	-	Establish (1) access point in partnership with other entities	Achieved The OPFA established an access point in partnership with the National Financial Ombud Scheme South Africa (NFOSA) at their offices in Johannesburg.	Not applicable	Not applicable

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
4. Enhance OPFA's visibility and stakeholder engagement through impactful awareness programs and meaningful collaborations	4.1. Percentage of stakeholder engagement activities that have been completed versus planned.	Percentage implementation of activities for stakeholder engagement	186%	Achieved 244% (95/39) Annual target (27 activities) 9 x Industry Conferences and Seminars participation (Physical and virtual) 7 x Group sessions with industry stakeholders 18 x Media releases 1 x Annual Report issued 56 x Outreach programmes (Physical and Broadcast/ Radio Interviews - Roadshows) 4 x Internal Staff meetings	95%	Achieved: 179% (118/66) Tactic 1: 26 x Outreach Programmes Tactic 2: 15 x Participation in industry conferences, seminars, and exhibitions Tactic 3: 13 x Meetings with identified stakeholders e.g. funds/employers/administrators Tactic 4: 30 x Broadcast/ Radio Interviews Tactic 5: 18 x Media Releases (Digital/Print media) Tactic 6: 4 x Quarterly staff meeting/ communication Tactic 7: 12 x Publications (Digital/Print media)	84% Over-achieved	Increase in the press releases, articles and outreach activities, the OPFA received high media interest/ engagement.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
	4.2. Overall percentage of stakeholders who express satisfaction based on survey results, typically represented as a score or rating.	Percentage Overall of Stakeholder Satisfaction Survey – the survey will be conducted at least once every three years	84% Satisfaction rate from Stakeholder satisfaction survey.	-	-	-	Not applicable for the period under review.	Not applicable for the period under review.

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
PROGRAMME 3 - ACHIEVE OPERATIONAL EXCELLENCE								
Programme purpose - To achieve operational excellence, enhance efficiency, position OPEFA as an employer of choice, and commit to good governance and clean administration while promoting its mandate and accessibility.								
5. Attract and retain a qualified and skilled workforce to execute the mandate.	5.1. Percentage of planned employee wellness activities that have been successfully implemented.	Percentage implementation of activities in the employee wellness plan	-	-	90%	Not achieved 63% Implementation of activities in the employee wellness plan	27% Under-achieved	The delay was primarily due to challenges and instability in the HR Management Function.
	5.2. Overall percentage of employees who report being engaged based on survey results.	Percentage of employee engagement from surveys - the survey will be conducted annually	-	-	70%	Achieved 74% achieved for employee engagement from surveys - the survey will be conducted annually (rounded up)	4% Over-achieved	- Implementation of the culture improvement plans - Implementation of Change Management Initiatives

Outcome	Outputs	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reason for deviations
	5.3. Overall percentage of employees expressing satisfaction based on the climate survey results.	Overall satisfaction percentage from employee climate survey (the survey will be conducted once in 3 years)	-	-	70%	Not achieved: 66% Overall satisfaction percentage from employee climate survey (rounded up)	4% under achieved	An independent employee survey identified some challenges in the OPFA culture and work environment.
	5.4. Percentage implementation of Employment Equity plan for black employees, female employees, and employees with disabilities:	Percentage implementation of Employment Equity plan for the specific areas: % Black employees (including Africans, Indians and Coloureds) % Female employees with disabilities	95% Black Employees (62 out of 65) 55% Female Employees (36 out of 65) 1% (1 out of 65)	Achieved: 96% Black Employees (70/73) Achieved: 53% Female Employees (39/73) Achieved 3% Employees with disabilities (2/73)	Implement 90% of the annual Employment Equity Plan.	Achieved 94% Black employees (including Africans, Indians and Coloureds) (82/87) 102% Female employees (45/44) 100% Employees with disabilities (3/3)	4% Over-achieved Black employees (including Africans, Indians and Coloureds) 12% Over-achieved Female employees 10% Over-achieved Employees with disabilities	Improved Awareness of the Employment Equity requirements
6. Maintain clean administration	6.1. Achieve an Unqualified audit opinion from Auditor-General	Obtain an Unqualified audit opinion from the Auditor-General	Unqualified audit opinion with no material findings (Clean audit)	Achieved: Clean audit - Unqualified audit opinion with no material findings	Unqualified audit opinion	Achieved Clean audit - Unqualified audit opinion with no material findings	Over-achievement No material findings on compliance and performance information	Strong internal controls, disciplined governance oversight, timely implementation of audit recommendations, and a sustained culture of accountability across the organisation.
	6.2. Percentage of valid supplier invoices processed and paid within 30 days.	A percentage of valid OPFA Supplier invoices paid within 30 days	100%	Achieved: 100% (719/719) invoices paid within 30 days.	100%	Achieved: 100% (707/707) invoices paid within 30 days.	Not applicable	Not applicable



OPERATIONAL REPORT 2025/26

NEW COMPLAINTS RECEIVED

The OPFA has received 13,041 complaints for the year under review, a record since the office was established. This represents a 26% increase from the 10,331 complaints received in 2024/25. The previous record for complaints received was 11,399 in the 2018/19 financial year. The increase in complaints was mainly driven by the implementation of the two-pot retirement system, enhanced stakeholder management undertaken by the OPFA and weak economic conditions.

TWO-POT RETIREMENT SYSTEM

The implementation of the two-pot system, coupled with weak economic conditions, has had a profound impact on the retirement industry. The objective of the two-pot system is to provide retirement fund members with the flexibility to access a portion of their retirement fund savings while preserving a large portion for long-term financial security. In the process of accessing their retirement fund benefits, members have inadvertently exposed underlying challenges within the retirement funds industry, including governance processes, arrear contributions, delays/non-payment of withdrawal benefits, inaccurate member records and broader pension administration and processing concerns.

ENHANCED STAKEHOLDER MANAGEMENT

The OPFA has employed a diverse stakeholder engagement activity, including outreach programs, media and article publications, media interviews, and participation in financial industry webinars and conferences. These activities have increased awareness among retirement fund members of the existence of the OPFA and how to lodge complaints related to their retirement benefits or other related matters.

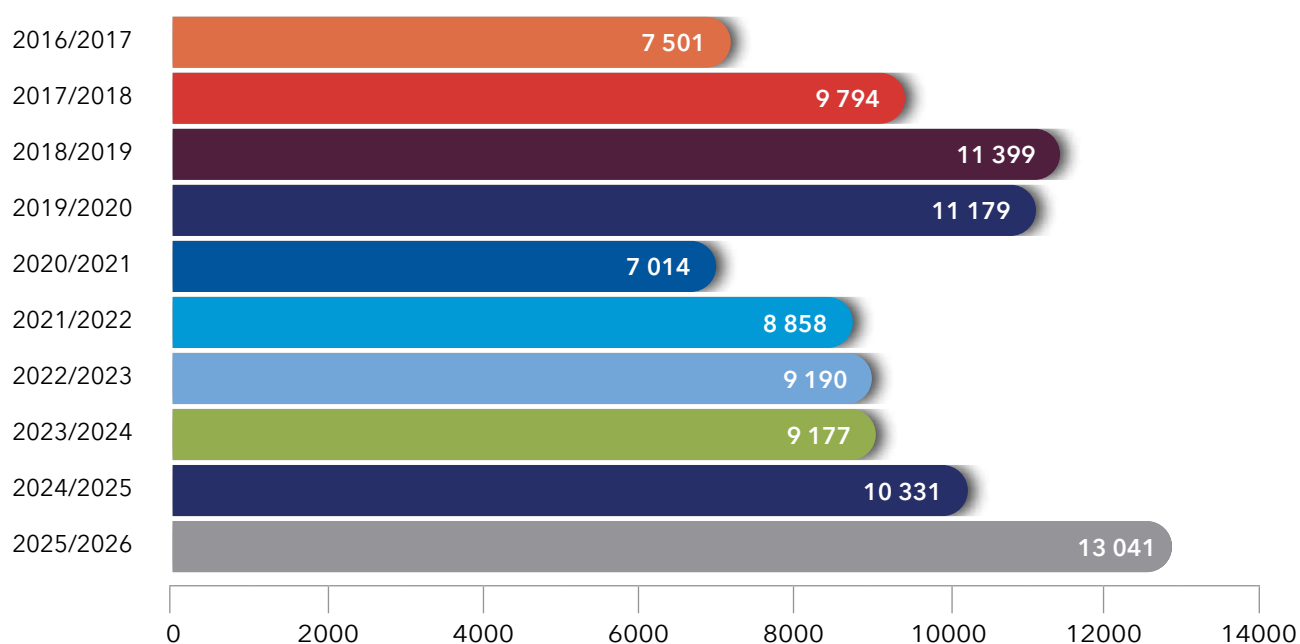
WEAK ECONOMIC CONDITIONS

The current economic conditions, including rising living costs, high levels of household debt, unemployment, and broader economic pressures, have worsened the financial situation of most retirement fund members. The immediate impact has led to financial distress, resulting in increased benefit withdrawals, the use of the retirement fund savings portion as short-term relief, and increased pressure on employers. These economic pressures have also heightened members' sensitivity to any perceived non-compliance with withdrawal benefit processes and benefit calculations, that even minor delays or discrepancies would prompt escalation to the OPFA.

SECTOR-SPECIFIC BREAKDOWN

The Private Security Sector Provident Fund (PSSPF) accounted for 49% (6,453) of the complaints received. Within the PSSPF sector, the most prevalent complaints relate to non-compliance with section 13A of the ACT, particularly employers' failure to remit pension contributions deducted from employees' salaries to the fund. Other recurring issues include the non-payment of retirement benefits, delays in the processing and payment of withdrawal benefits, and inaccurate member records. Governance weaknesses have come to the fore, including the lack of an effective system to monitor and detect non-payment of contributions by employers resulting in a failure to timeously act against delinquent employers. Members are left to fend for themselves by individually pursuing non-payment of contributions whilst the fund neglects its duties prescribed in FSCA Conduct Standard 1 of 2022.

Total complaints received



METHOD OF RECEIPT

The OPFA employs a variety of methods for potential complainants to reach the office, regardless of their geographic location. During the year under review, the technology-based platforms, email, and website accounted for 70% (9,172 out of 13,041) of the total complaints received for the financial year. The walk-in method has remained consistent and

popular; it accounted for 27% (3,534 out of 13,041) of the complaints received for the financial year. The complaint intake patterns for the year under review reflect a system that is increasingly digitally oriented, with email and website submissions accounting for 70% of complaints, signalling strong progress in accessibility, efficiency, and user adoption of online platforms. However, the continued reliance on walk-in complaints (27%) highlights that meaningful barriers



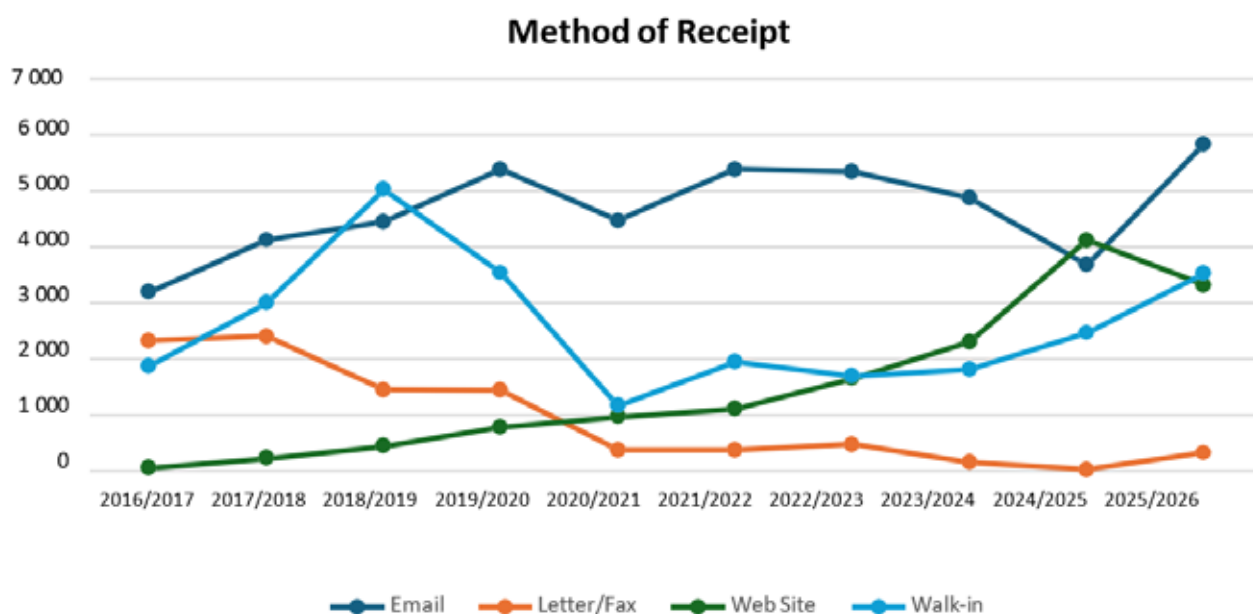
NEW COMPLAINTS UNIT

Front Row (left to right): Lerato Lebogo, Madumetja Mogale, Nhlaysi Mangwani, Wilana Groenewald, Dolly Sibanda and Teddy Raolane

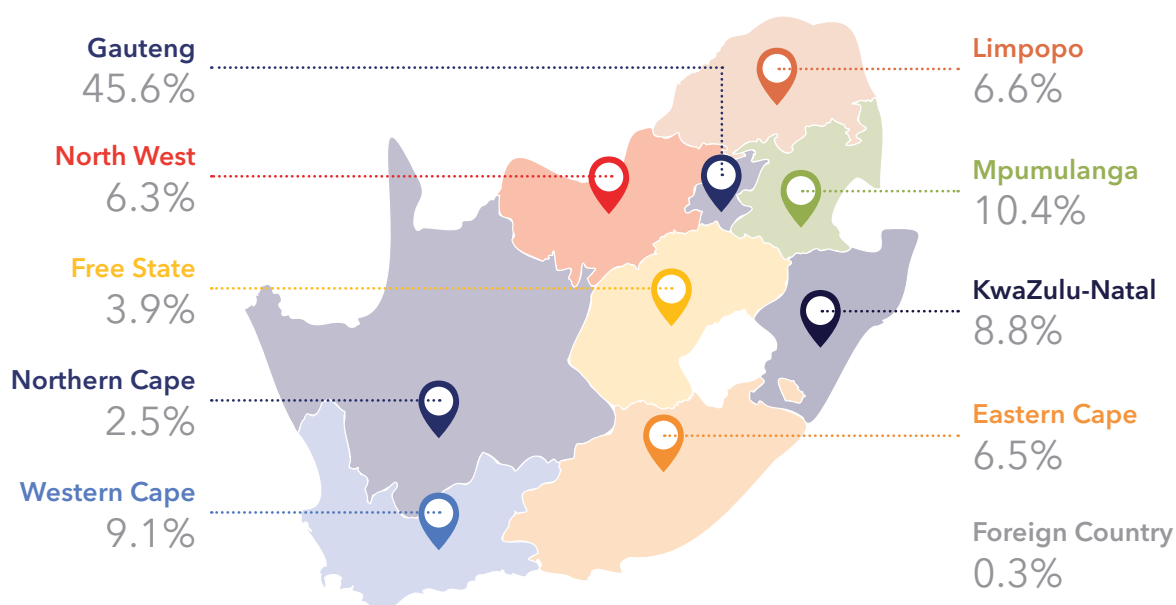
Back Row (from left to right): Maharula Muluvhahotho, Lerato Mokoena, Sbongile Jamekwane, Nomcebo Manake, Reaaleboga Bahumi, Neo Rampedi and Godfrey Mashigo

to digital access persist, particularly for individuals who require assisted engagement due to digital literacy challenges and connectivity constraints. This is further reinforced by a preference among some complainants for in-person lodgement, driven by the perception that face-to-face engagement facilitates more direct, responsive, and efficient service interaction. While walk-in services remain an important access point, the OPFA's geographic concentration limits their reach for complainants outside Gauteng. In this context, the OPFA's

planned short-term initiatives, particularly the extension of service reach through partnerships with institutions beyond Gauteng and the deployment of strategic mobile offices, represent a targeted and practical response to bridge spatial inequities in access. Collectively, these developments reflect a transitional service environment that is progressively digital, while simultaneously strengthening physical outreach to ensure more equitable national access to complaints mechanisms.



GEOGRAPHICAL LOCATIONS



Province	Total	Percentage
Eastern Cape	845	6.5%
Free State	514	3.9%
Gauteng	5 941	45.6%
KwaZulu-Natal	1 153	8.8%
Limpopo	860	6.6%
Mpumalanga	1 361	10.4%
North West	825	6.3%
Northern Cape	326	2.5%
Western Cape	1 175	9.0%
Unknown	1	0.0%
Foreign Country	40	0.3%
Total	13 041	100%

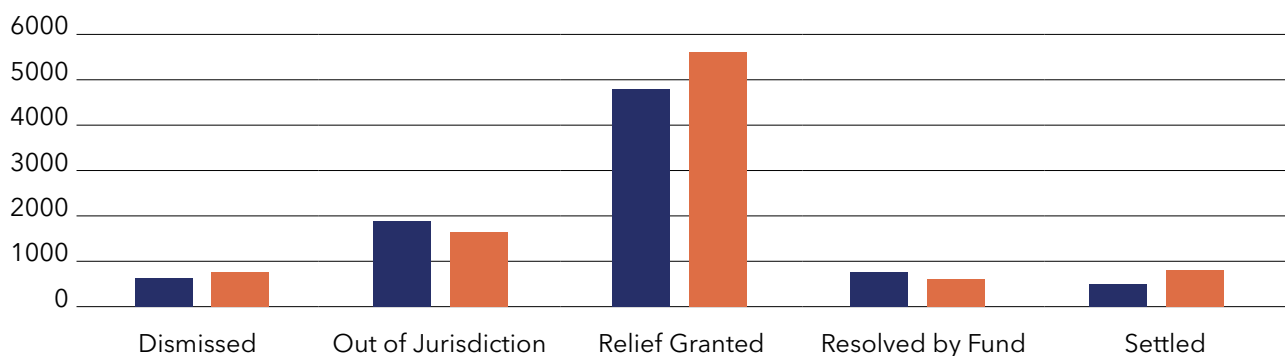
The OPFA has an office in Pretoria, Gauteng, and has an access point with the National Financial Ombud Scheme South Africa in Johannesburg. Gauteng province accounted for 45.6% of the total complaints received, followed by Mpumalanga with 10.4%, and then Western Cape with 9%. The remaining provinces received less than 9% each and accounted for 35% of the total complaints. Although the disproportionately high number of complaints from Gauteng may partly be linked to the accessibility and presence of the OPFA offices within the province, a significant proportion of complaints were submitted electronically through the OPFA's website and email platforms. Accordingly, the geographical location of the OPFA's offices cannot, on its own, fully account for the higher volume of complaints received from Gauteng. The trend is more likely influenced by the province's higher levels of formal employment, broader retirement fund participation, and greater concentration of employers and retirement fund members relative to other provinces.

OUTCOMES

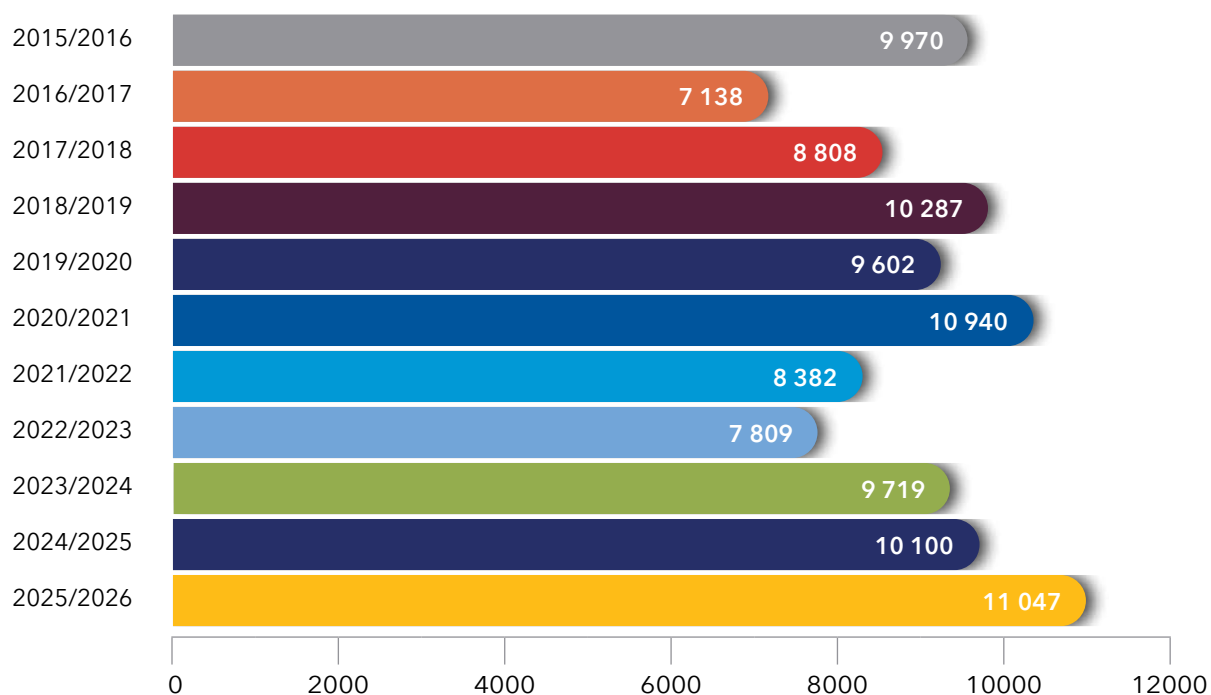
Effectiveness

The OPFA demonstrated its effectiveness by investigating and finalizing 11,047 complaints out of the 13,041 received during the year under review. This too represented a record number of matters finalised. A total of 6,372 complaints were finalised in terms of a fully investigated and reasoned determinations. This constitutes 58% of all complaints closed during the year with 938 more formal determinations issued compared to the previous year. A total number of 1,386 complaints were closed as settlements, 1,630 as out of jurisdiction and 1,659 as abandoned, withdrawn, or duplicates. The OPFA issued orders sounding in money totalling R99,761,817 million for the year under review.

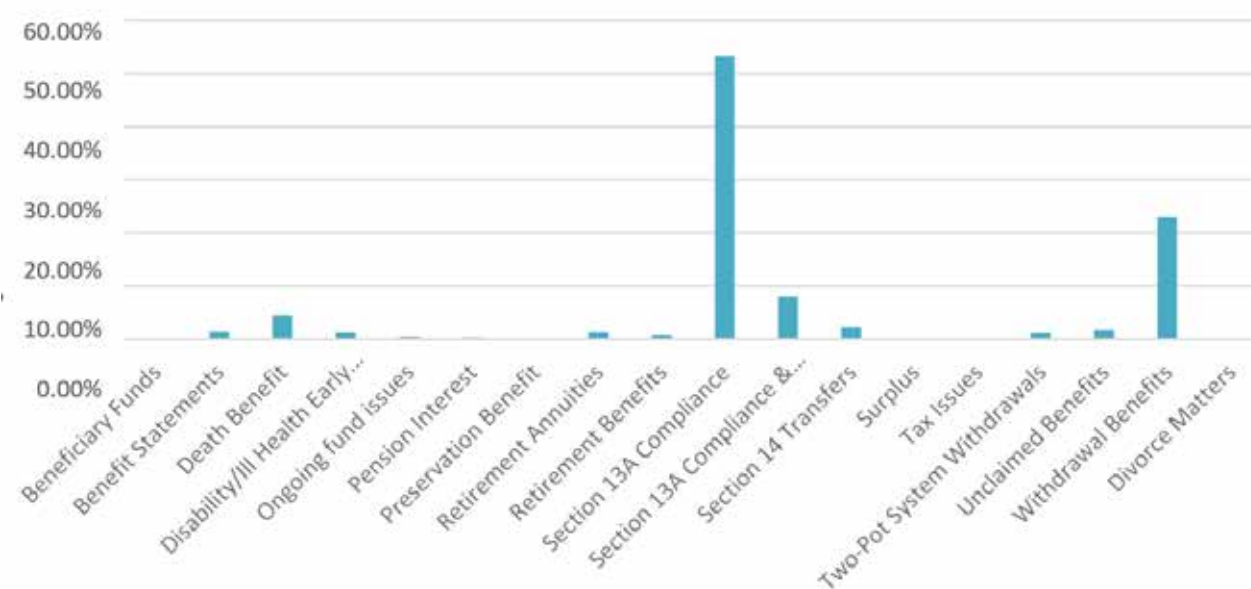
Category of Determinations



Total complaints finalised



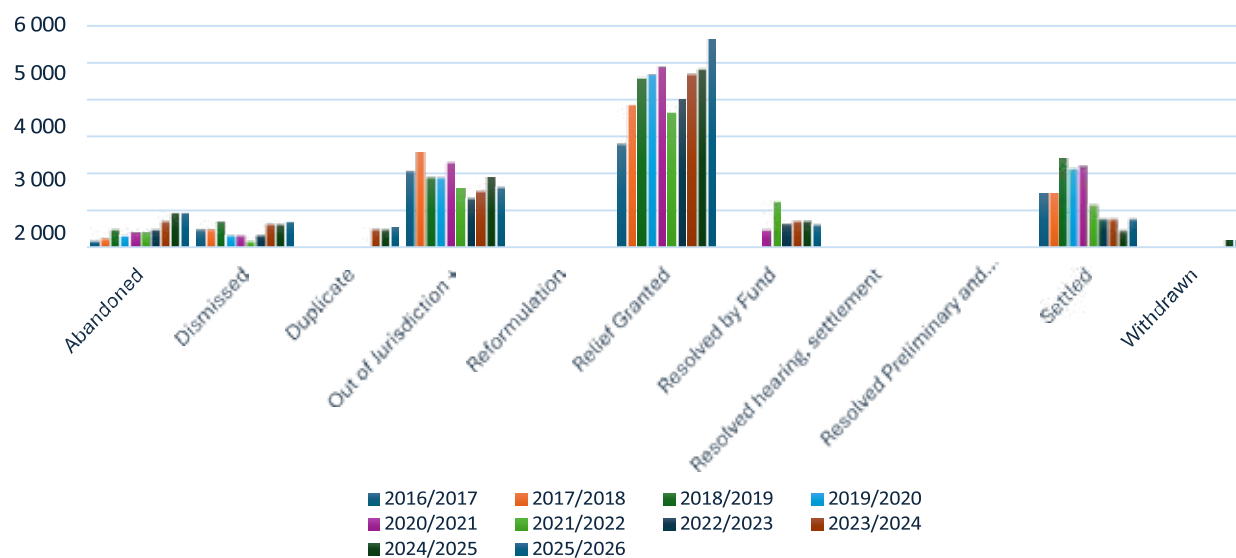
Complaint Nature - Breakdown of cases



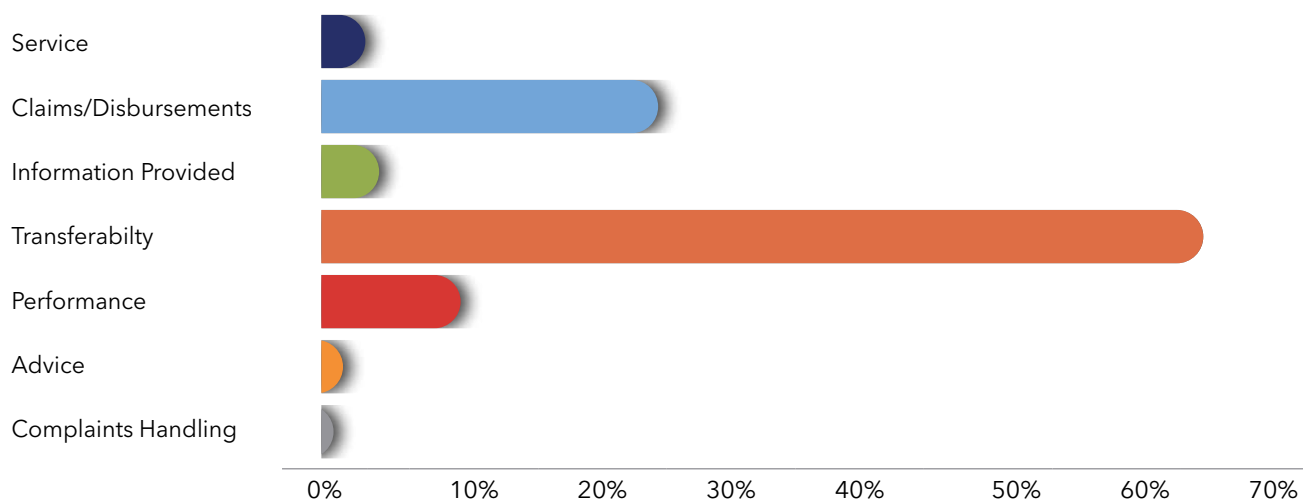
Categories of complaints pertaining to section 13A (non-payment of contributions by participating employers) at 61.48% continue to be the highest category of complaints investigated and closed, followed by withdrawal benefits at 22.93%. Jointly, these two categories constitute 84% of the total

closed complaints categories. Further, the two categories often overlap with one another with a complainant only discovering that his or her employer failed to pay contributions at the stage when they are withdrawing their benefit.

Complaints Finalised



TCF Outcomes



ERU

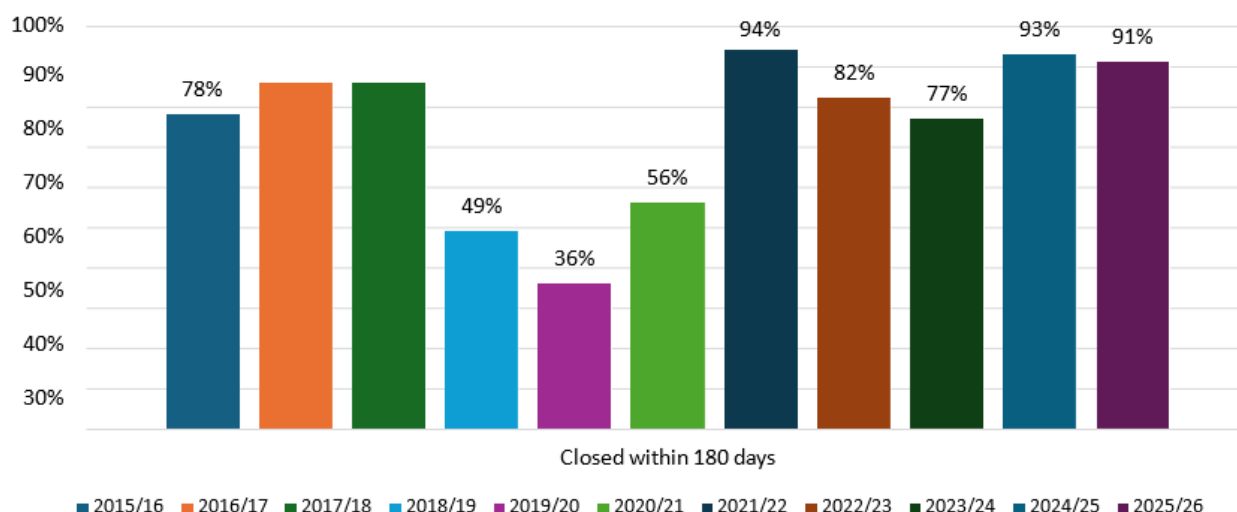
From left to right: Lalita Jadoonandan, Lesley Ratsebe and Busisiwe Dhlamini

The TCF complaint outcomes weaknesses in the quality of service delivery within the retirement fund industry, with service-related complaints remaining overwhelmingly dominant at 63.10% of all complaints received. This trend points to deficiencies in communication, responsiveness, and administrative effectiveness by funds and administrators, particularly in matters relating to the payment of contributions and benefits. Claims and disbursements, together with information provided, also constitute significant areas of concern, with these three categories collectively accounting for 95.28% of the complaints received during the financial year. Importantly, these complaint categories largely arise from operational and administrative failures that fall within the direct control of funds and administrators and are, to a considerable extent, preventable through improved

governance, proactive member engagement, and timely communication. The continued utilisation of the RtF process presents an important opportunity for funds to strengthen early engagement with members and resolve disputes before they escalate into formal complaints. Equally concerning is the ongoing impact of prescription and time-barring principles, which in certain cases continue to

limit the full recovery of outstanding contributions due to delays in enforcing employer compliance. Overall, the complaint trends underscore the need for a more accountable, consumer-centric, and service-oriented retirement fund environment that prioritises transparency, responsiveness, and the timely protection of members' retirement benefits.

Investigated and Finalised Complaints



Critical to the OPFA's mandate is the capability and capacity to investigate and finalise complaints efficiently and cost-effectively. The OPFA has investigated and finalised 9,389 complaints during the financial year. Regarding process efficiency, it resolved 91% (8,552) of the complaints within 180 days, exceeding the annual target of 90%.

Stats of Top 20 Funds against which relief was granted

Table A

ALL Nature types of Complaints	
Top 20 List of Funds	%
Private Security Sector Provident Fund	75.60%
Contract Cleaning National Provident Fund	3.78%
Transport Sector Retirement Fund	3.23%
Alexander Forbes Retirement Fund (Provident Section)	2.66%
Sanlam Umbrella Provident Fund	1.94%

Metal Industries Provident Fund	1.06%
Old Mutual Superfund Provident Fund	0.84%
Bargaining Council for The Contract Cleaning (Natal) Provident Fund	0.81%
Fundsatwork Umbrella Provident Fund	0.66%
The Hospitality and General Provident Fund	0.60%
Mineworkers Provident Fund	0.42%
Municipal Employees Pension Fund	0.42%
Sanlam Umbrella Pension Fund	0.42%
Municipal Workers Retirement Fund	0.40%
Corporate Selection Umbrella Retirement Fund No 2	0.38%
Motor Industry Provident Fund	0.37%
Auto Workers Provident Fund	0.33%
Fidelis Provident Fund (Umbrella)	0.33%
N-E-FG Umbrella Provident Fund	0.31%
Chemical Industries National Provident Fund	0.29%

Two-pot Withdrawal Telephone Enquiries

401 two-pot telephone queries were received during the 2025/2026, classified as follows:

Nature of telephone queries

Query Type	%
Payment status	29.93%
Withdrawal procedure	29.68%
Two-pot general enquiries	15.96%
Update of details	8.98%
Available fund credit	5.99%
Two-pot system challenges	3.74%
Tax queries	3.49%
Delay in payment	1.50%
Next withdrawal date	0.75%

Telephone Queries per Fund (Top 10 - highest to lowest)

Fund Name - TOP 10	%
Motor Industry Provident Fund	25.06%
FundsAtWork Umbrella Provident Fund	15.35%
Private Security Sector Provident Fund	8.44%
Old Mutual Superfund Provident Fund	6.91%
Sanlam Umbrella Provident Fund	5.88%
NBC Umbrella Retirement Fund	5.63%
Alexander Forbes Retirement Fund	5.37%
Autoworkers Provident Fund	2.56%
Alexander Forbes Retirement Fund (Provident Fund Section)	2.30%
Corporate Selection Umbrella Retirement Fund (Provident Fund Section)	2.05%

MESSAGE FROM THE LEGAL DESK



Nondumiso Ntshangase
Senior Legal Advisor

At the core of the retirement fund legal framework is a clear purpose and a commitment to protect members and ensure that retirement savings fulfill their intended purpose in advancing the fundamental constitutional right to social security.

This objective is supported not only by legislation, but by effective dispute resolution, robust and sound enforcement mechanisms, and a regulatory environment responsive to members' needs and interests. The reporting period reflects continued progress in advancing these principles.

A key milestone was the publication of the Ombud Council Rules for the OPFA on 4 March 2026.

The Rules were published following an extensive consultation process and introduce a formal, transparent procedural framework governing the OPFA's complaints-handling process, enhancing certainty, consistency and accessibility for all stakeholders.

Implemented on a phased basis, the Rules both codify established practices and introduce important processes and principles. Notably, they expressly empower the OPFA to award costs, placing this authority on a clear regulatory footing. They also promote the amicable resolution of disputes by requiring consideration of conciliation at every stage of the complaint-handling process. In support of this, the OPFA is establishing an external conciliation panel to expand access to fair, efficient dispute resolution.

Regulatory focus during the reporting period also intensified on employer compliance with section 13A, particularly in relation to unpaid contributions. The withdrawal, on 8 January 2026, of the exemption from section 34A of the BCEA now empowers labour inspectors to enforce non-compliance with section 13A of the ACT. In addition, the proposed Labour Laws Amendment Bill seeks to extend enforcement powers to the CCMA, Labour Court, and bargaining councils. While supporting stronger enforcement, the OPFA, in its comment on the Bill, has highlighted the need to avoid jurisdictional overlap, duplication of existing enforcement mechanisms, and unintended consequences, and emphasized the need for alignment and strengthening of the ACT's existing enforcement framework.

Judicial developments also provided important clarity, most notably the Constitutional Court's landmark judgment in *Mutsila v Municipal Gratuity Fund and Others* [2025] ZACC 17, issued on 8 August 2025, on section 37C. The Court confirmed that dependency must be assessed at the date of the member's death, rather than at the time of allocation.

While subsequent changes in circumstances may remain relevant when determining the allocation of benefits, they do not affect a person's status as a dependant. The judgment strengthens certainty for trustees and beneficiaries by reaffirming that section 37C requires an active, thorough and properly verified investigation into dependency, so that death benefits are allocated equitably and in accordance with the purpose of section 37C.

The practical implications of the two-pot retirement system also continued to surface. In *Municipal Employees' Pension Fund v KY Mailula and Another* (Case No: PFA35/2025). (23 October 2025), The Tribunal considered whether fund rules restricting access to benefits because of arrears in contributions could affect a member's entitlement to a savings withdrawal benefit.

The Tribunal held that the fund rules were binding and had to be considered when assessing entitlement to benefits under the two-pot system. Following reconsideration of the matter, the OPFA concluded that the relevant rule applied only to defined benefit members and could not be construed to deny the complainant, a defined contribution member, access to the savings withdrawal benefit.

Looking ahead, the anticipated COFI represents the next major phase of financial sector reform. It signals a shift towards an outcome-based regulatory framework, emphasising fairness, transparency, and accountability across the financial sector. Funds that

prioritise member-centric governance and embrace the Treating Customers Fairly principles will be positioned to adapt. This approach will go a long way in safeguarding members' rights to social security and ensure that their outcomes are aligned with the objectives of the legislation. COFI will also, amongst other things, expand the OPFA's mandate, renaming it the Retirement Funds Ombud and extending its jurisdiction to public sector funds. Effective implementation will require substantial preparation and coordination. A dedicated OPFA transition committee has been established to oversee and support effective implementation.

Collectively, the developments demonstrate a retirement fund system that continues to evolve to deliver stronger member protection, improved governance and more effective dispute resolution. The introduction of the Ombud Council Rules stands out as a significant step toward strengthening the OPFA's role and enabling it to deliver effectively on its mandate. The challenge for all stakeholders is to ensure that regulatory reform and advancements translate into meaningful, fair outcomes for the retirement fund members the system ultimately serves.





SUMMARY OF IMPORTANT DETERMINATIONS

DEATH BENEFIT

WN Mtshali v PPWAWU National Provident Fund and Another (KN/00125624/2025)

The complainant stated that, following the deceased's passing on 06 August 2023, she submitted all necessary documents to the fund to access his death benefit. She said that a trustee of the fund had met her in town and provided her with a letter indicating that the deceased had a benefit of R6 000.56.

The complainant indicated that the trustee's request to meet in town rather than at the fund's offices was suspicious. The letter was not addressed to her, and she doubted that it reflected the correct fund value since the deceased had been employed since 1981.

She provided the employer's letter confirming that the deceased was employed from 19 February 1981, and a letter from the Master of the High Court dated 24 January 2024 stating that it was unable to issue letters of authority or executorship if the outstanding balance was not disclosed.

The employer, fund, chairperson and principal officer were granted opportunities to comment on the allegations but failed to respond.

The Adjudicator held:

- The disposition of a death benefit is regulated in terms of section 37C of the ACT. The board must conduct a thorough investigation to determine the beneficiaries, decide on an equitable distribution, and determine the most appropriate mode of payment.
- A death benefit must be allocated and paid without unreasonable delay. Although the board has 12 months to trace and identify possible beneficiaries, this is not a hard and fast rule and depends on whether a proper investigation was conducted within a reasonable time.

- The deceased died on 06 August 2023, yet the fund had not paid the potential beneficiaries. There was no evidence that the fund conducted a proper section 37C investigation, and the delay was excessively long.
- The fund's failure to provide a formal response was concerning and prejudiced the complainant, as the Adjudicator could not determine whether all contributions were received or whether a proper section 37C investigation had been conducted.
- The complainant was not provided with sufficient information on the value or distribution of the death benefit. Section 7D(1)(c) requires the board to communicate adequate and appropriate information to members and beneficiaries. The fund failed to explain or provide the requested details and therefore failed to fulfil its duties to the beneficiaries.
- What is even more concerning is that there are serious allegations made against a trustee of the fund that have gone unanswered.
- The FSCA should investigate the conduct of the fund, as it affects not only this employer and the complainant but others as well.

ORDER: The fund was ordered to finalise its investigation in terms of section 37C of the ACT by 31 January 2026 and to allocate and pay the deceased's death benefit to the identified beneficiaries, on or before 20 February 2026.

DEATH BENEFIT

MM Mokoena v Chemical Industries National Provident Fund and Another (FS/00129498/2025)

The complainant was the mother of the deceased, who passed away on 26 April 2017. She was dissatisfied with the delay in the payment of the deceased's death benefit and submitted that she was

dependent on him for groceries, payment of policies and medical expenses.

The complainant provided the deceased's death certificate, a benefit statement dated 30 April 2016 reflecting a fund credit of R40 588.34, and a payslip dated 30 April 2017 reflecting a contribution deduction of R615.95.

The fund submitted that the deceased was employed by the employer until his death and had been a member of the fund from 01 July 2013. It indicated that, when its administrator investigated the complaint, the deceased did not appear on the current system, and enquiries were made with the fund's former administrators, Akani and NBC.

NBC confirmed that a death-benefit claim was received on 02 August 2017, that the complainant had been appointed as executor of the deceased's estate, and that Liberty paid a death claim benefit of R394 205.28 to CINPF Raubex Group on 11 August 2017. NBC further advised that no payment had been made from its system because the distribution resolution authorising the allocation of the death benefit had not been received by the date of handover to Akani. The fund stated that it was still establishing whether a distribution resolution had been made in 2017, what further documents were required, and whether the

benefit was still held in its accounts. It described its response as interim and undertook to provide a further update, but no further submissions were received.

The Adjudicator held:

- A death benefit must be distributed and paid without unreasonable delay. Although the board generally has 12 months to trace and identify possible beneficiaries, this period is not immutable, and the key issue is whether the board acted with due diligence and can make an equitable allocation.
- The deceased died on 26 April 2017 and, almost nine years later, the fund still could not confirm whether a distribution resolution had been passed or whether the death benefit had been paid. The lack of urgency and accountability was unacceptable.
- The change in administrators was not an acceptable explanation for the fund's uncertainty. In terms of sections 7C and 7D of the ACT, the board remains responsible for governance, record-keeping and oversight, even where functions are delegated to an administrator.
- The fund's conduct pointed to a potential failure to keep records of the fund's operations, including whether the death benefit had been allocated or paid.



CASE MANAGEMENT TEAM 1

Front Row (from left to right): Charlotte Manganye, Tshepo Marageni, Polo Shwaepane, Khutso Lephoto and Given Maswanganye
Back Row (from left to right): Lehohonolo Rabotapi, Christian Seabela, Mashudu Matovheke, Sibusiso Nkosi and Fikile Nxumalo

- The available facts established that the deceased was employed by the employer, was a member of the fund, remained in employment at the time of his death, and that at least one death claim form had been submitted to the fund.
- In the absence of proof that the fund had investigated the matter, passed a resolution and paid the benefit, the complainant had discharged the burden of proof and established, on a balance of probabilities, that a death benefit was payable and had not been paid.
- Given the fund's conduct and the lengthy delay, the Adjudicator granted an order for interest in terms of section 30N of the ACT, calculated from 02 August 2018.

ORDER: The fund was ordered to finalise its investigation in terms of section 37C of the ACT within two weeks of the determination, if not already finalised.

DEATH BENEFIT

Mr KP Maimela v Metal Industries Provident Fund (LP/00124346/2025)

The deceased member passed away on 18 September 2013 and the fund alleged that a death benefit of R18 691.26 was paid to the deceased's estate late account on 26 August 2014.

The complainant, the deceased's son, submitted that the deceased was employed by Steval Engineering and contributed to the Metal Industries Provident Fund. He stated that his mother informed him that the benefit would be paid to him once he came of age. He said he requested payment from the fund and was informed the benefit was paid out in 2014.

He requested proof of payment from the fund. The fund provided a letter stating the amount paid and the account into which it was paid, but the bank could not verify the account number. The complainant was aggrieved that the fund failed to provide proof of payment and requested confirmation that all the benefits were paid.

The fund submitted that the employer remitted provident fund contributions on behalf of the deceased for April 2012 to July 2013. Contributions were not received for August and September 2013 as the member was off work due to ill health. The deceased did not claim any benefit from Sick Pay or apply to receive an income from the Permanent Disability Scheme.



CASE MANAGEMENT TEAM 2

Front Row (from left to right): Atlegang Tshidi, Sibongile Nkabinde, Silas Mothupi, Thamsanqa Mbambo and Nontobeko Bhila
Back Row (from left to right): Lindelani Mkhize, Atlegang Tshidi, Tshepang Monare, Neo Komape, Steve Mphela, Refiloe Moshelo

The fund stated that the beneficiaries did not meet the requirements for a full death benefit under the Temporary Absence Rules. It submitted that the Consolidated Provident Fund Collective Agreement for Metal Industries provides that no deductions shall be made, or contributions paid, for periods of absence on unpaid leave, sickness, injury on duty, and military service where no payment is due to the employee.

The fund stated that the Main Agreement confirms that contributions shall only be paid based on actual hours worked. The deceased's contributions were not in arrears as he was absent from work due to illness, and no contributions were deducted from his salary. The fund stated that the deceased did not receive remuneration and thus did not make contributions while away from work. As these contributions are allocated to death benefits, disability benefits, fund expenses and retirement funding, there were no contributions to cover the costs of the death benefit, and the beneficiaries were not entitled to an insured death benefit.

On 21 August 2025, after an enquiry by the OPFA regarding proof of payment and why the benefit was paid to the estate and not distributed in terms of section 37C of the ACT, the fund submitted that there was a benefit due to the beneficiaries and that it would be paid in terms of section 37C.

The fund stated that the board re-evaluated the documents and decided to award a full death benefit of R798 066.32 to the beneficiaries. It requested documentation from the complainant and other beneficiaries to help investigate and establish dependency on the deceased.

ORDER: The fund was ordered to allocate and pay the death benefit to the deceased's beneficiaries within two weeks of finalising its investigations.

DEATH BENEFIT

NE Ndlangamandla v BECSA Provident Fund and Others (MP/000120898/2024)

The complainant, the deceased's customary wife, was dissatisfied that the fund distributed the death benefit of R4 514 636.46 to the deceased's children and girlfriend, to her exclusion. The deceased was a member of the fund until he passed away in September 2023. The complainant submitted that she was married to the deceased and was financially dependent on him. She provided a lobola letter dated 17 September 2022 and a marriage certificate.

She submitted that the Recognition of Customary Marriages Act 120 of 1998 allows either spouse to register a customary marriage after the death of the other. She registered the marriage on 13 March 2024, with the marriage recorded as having been concluded on 17 September 2022.

She said it was unclear why the deceased stated in his insurance policy that he was single while he was customarily married. She did not have proof of financial dependency as they bought groceries together and he gave her money in cash. She indicated that although they did not reside together, she visited the deceased on weekends or when she was off from work.

The fund submitted that, according to the investigation report, the deceased was never married and had five children. His girlfriend indicated that she was his partner, had resided with him from June 2022 until his death, and provided a bank statement showing amounts received from him.

The fund stated that the girlfriend qualified as a factual dependant because she was financially dependent on the deceased, lived with him, and shared common household responsibilities. It submitted that the complainant did not furnish proof of marriage and dependency. The further fund noted discrepancies in the submissions regarding the deceased's marital status.

Furthermore, the deceased completed a beneficiary nomination form on 21 April 2023, indicating his marital status as single and nominating his brother to receive a funeral benefit, although the complainant said the customary marriage occurred in 2022.

One of the daughters said she did not know the complainant, confirmed that she was not present at

the deceased's funeral, and stated that the deceased was not married and resided with his girlfriend before his passing.

The fund said the complainant failed to submit requested documents, including proof of financial dependency. As the documents were not forthcoming, the fund could not prove her dependency or the marital status of the deceased.

The Adjudicator held:

- The Recognition of Customary Marriages Act, 120 of 1998, provides for the posthumous registration of a marriage. Thus, the complainant qualified as a legal dependant.
- The girlfriend qualified as a factual dependant because she shared a common household and expenses with the deceased. The deceased's children qualified as legal dependants and had a right to be considered.
- The complainant was the deceased's legal spouse. However, the investigation indicated that she was an estranged spouse, as the deceased resided with his girlfriend.
- Although the complainant qualified as a legal dependant, this did not necessarily entitle her to an allocation of the death benefit. Further, there was no proof that she was financially dependent on the deceased.
- The board took into account relevant factors and ignored irrelevant factors. It did not fetter its discretion, and there was no reason to set aside its decision.

The complaint was dismissed. (The FST upheld the determination – Case No. PFA4/2026)

SECTION 37D – ACKNOWLEDGMENT OF LIABILITY

S Nkosi v 10X Umbrella Pension Fund and Others (GP\00130076\2025)

The complainant was employed from 01 August 2016 until his employment terminated in January 2025. Following the termination of his employment, the employer opened a criminal case against him with the South African Police Service in respect of the

alleged theft of a machine belonging to the employer. The complainant submitted that the fund refused to pay his withdrawal benefit. He submitted that he had signed the acknowledgement of debt because he was told to do so while the criminal case was still under investigation. He further indicated that the criminal charges against him were later withdrawn and requested that the fund be ordered to pay his full withdrawal benefit.

The fund submitted that it only received the complainant's withdrawal claim on 29 April 2025. When the administrator asked the employer whether there were any claims against his benefit, the employer advised that it had a claim in terms of section 37D(1)(b) of the ACT. The administrator subsequently received the signed acknowledgement of debt and the employer's claim form for R76 851.36. The fund stated that it approved the deduction on the basis that section 37D(1)(b)(i) permits a fund to deduct an amount from a member's benefit where the member has admitted liability to the employer in writing. It submitted that a court order was not required because the acknowledgement of debt constituted a written admission of liability. The fund further argued that the withdrawal of the criminal charges did not amount to an acquittal and did not invalidate the acknowledgement of debt.

The Adjudicator held:

- Section 37D(1)(b) of the ACT permits a fund to deduct compensation due to an employer from a member's benefit where the loss was caused by theft, dishonesty, fraud or misconduct and where the member has either admitted liability in writing or judgment has been obtained against the member.
- A written admission of liability must relate to compensation for damage caused by dishonest conduct, must be made voluntarily and must identify the specific amount of compensation or damages suffered.
- The complainant did not dispute that he signed the acknowledgement of debt. Although he alleged that he had been told to sign it, he did not provide proof that it was signed under duress or that it was invalid.
- The acknowledgement of debt clearly recorded the amount of R76 851.36 and related to the

employer's alleged loss arising from the theft of its machine. The fund was therefore entitled to rely on it as a written admission of liability.

- The withdrawal of the criminal charges did not prevent the fund from making the deduction because the deduction was based on the written admission of liability, not on a criminal conviction or court order.
- The fund acted lawfully in deciding to deduct R76 851.36 from the complainant's withdrawal benefit and pay that amount to the employer.

The complaint was dismissed.

SECTION 37D(1)(B)(II) - WITHHOLDING

PN Morur v Telkom Retirement Fund and Another (NW/00129833/2025)

The complainant was dissatisfied that the fund withheld her withdrawal benefit of R939 877.06 at the instance of her former employer, Openserve, in terms of section 37D(1)(b)(ii) of the ACT. She was employed by the employer from 1 December 2006 until her dismissal on 21 November 2024 and became entitled to a withdrawal benefit.

The employer requested the fund to withhold the benefit on the basis that the complainant had allegedly committed fraud, dishonesty and misconduct which caused financial loss. The allegations related to undeclared businesses linked to her and her family, the use of company resources for subcontractors, and the failure to return tools and equipment.

The complainant submitted that the fund and employer acted unlawfully and in bad faith by withholding her benefit without complying with section 37D. She denied liability, refused to sign an acknowledgement of debt, and stated that the employer had not provided sufficient proof of the alleged loss, a forensic report, or proof that civil or criminal proceedings had properly been instituted against her.

The fund submitted that the employer had provided a memorandum and forensic findings which established a prima facie case with reasonable prospects of success. It further submitted that a criminal case had been opened and that civil summons had been issued.

The employer submitted that, while employed as an Operations Manager, the complainant recommended that the employer's contractors appoint certain



CASE MANAGEMENT TEAM 3

Front Row (from left to right): Fezile Sithole, Fikile Ledwaba, Nthabiseng Sathekge and Yolande Van Tonder

Back Row (from left to right): Hlonolofatso Mgijima, Tinyiko Shihundla, Sindiswa Moteane, Thamsanqa Maphasa, Ndwakhulu Kutama and Maharula Muluvhahotho

subcontractor companies in which she or related persons allegedly had an interest. It alleged that she directed employees to perform work for those subcontractors, resulting in a loss of R552 358.80, and failed to return equipment valued at R238 856.22. The total claim in the summons was R842 114.28 plus interest and costs.

The complainant replied that she had not been served with the summons and had received no communication from SAPS. She argued that merely issuing summons or laying a criminal complaint did not establish compliance with section 37D. The employer maintained that she was evading service and that it was pursuing substituted service by WhatsApp and email.

The Adjudicator held:

- Section 37D(1)(b)(ii) permits a deduction for damage caused by theft, dishonesty, fraud or misconduct where the member has admitted liability in writing or judgment has been obtained. In terms of *Highveld Steel and Vanadium Corporation Ltd v Oosthuizen*, a fund may withhold a benefit pending the determination of the employer's claim, provided it exercises its discretion carefully and balances the competing interests.
- The fund's rules authorised withholding where legal proceedings had been instituted and the trustees were satisfied that the employer had made out a prima facie case with reasonable prospects of success and was not responsible for undue delay.
- The employer's allegations, if proven, fell within the type of misconduct contemplated by section 37D, namely fraud, dishonesty and misconduct causing financial loss to the employer.
- The fund obtained the complainant's response before deciding to withhold the benefit. Any deficiencies in how the employer's case was initially put to her were cured during the Adjudicator's investigation, as she was given an opportunity to respond fully.
- The amount claimed in the summons was less than the complainant's benefit, and section 37D permits the inclusion of recoverable legal costs. The withholding was therefore not excessive.

- The fund did not merely rubber-stamp the employer's request and had considered the competing interests. The complainant also failed to show that the financial prejudice to her outweighed the potential prejudice to the employer if the benefit were released.
- The fund was required to continue monitoring the civil proceedings and to reconsider its decision if there were unreasonable delays attributable to the employer.

The complaint was dismissed.

NON-PAYMENT OF RETIREMENT BENEFIT

EZ Mathebula v Pricewaterhousecoopers Staff Provident Fund and Others (GP\00126166\2025)

The complainant was employed by PricewaterhouseCoopers South Africa from 1 May 2003 to 31 December 2007 and was a member of the PricewaterhouseCoopers Staff Provident Fund until he transferred his withdrawal benefit of R46 261.54 to the Alexander Forbes Preservation Fund on 27 March 2008.

In November 2024, he requested payment of his benefit, and the preservation fund advised that R48 630.39 had already been paid by cheque on 13 December 2011. He stated that he had never elected to claim before November 2025 and had never received such a cheque.

The preservation fund stated that, due to an incorrect member number on the claim form by the employer, the complainant's and a third-party member's records were erroneously swapped on its administration system, resulting in the complainant being recorded as having been paid the third-party member's benefit of R48 630.39 in December 2011.

The preservation fund produced evidence that R48 630.39 left its bank account on 13 December 2011. However, the bank statement did not identify the recipient account. The complainant countered this with his own bank statement for December 2011, which reflected no such payment.

The Adjudicator held:

- Section 30I of the ACT imposes a three year limit, but this only begins once the complainant becomes aware of the debt in terms of section 12 of the Prescription Act. As there was no evidence that he should reasonably have known earlier, prescription began in November 2024, and the complaint was not time-barred.
- The preservation fund could not produce documentary proof that the complainant ever claimed his withdrawal benefit. It could therefore be inferred that he never submitted a withdrawal claim form.
- The preservation fund failed to consider that the third-party member, mistakenly confused with the complainant, may have received the withdrawal benefit. Had that member not been paid, the error would likely have been detected and corrected in 2011.
- There was insufficient evidence that the complainant ever received or cashed the alleged cheque. Thus, he remains entitled to his fund benefit in the preservation fund.

ORDER: The preservation fund was ordered to calculate the complainant's fund benefit from the date he became a member to date, including investment returns, and pay his retirement benefit.

NON-PAYMENT OF WITHDRAWAL BENEFIT

J Lane v Motor Industry Provident Fund (GP/00128014/2025)

The complainant worked for Kempston Motor Group Trust, trading as Peugeot/Citroen, from 11 April 2007 until 22 October 2007, and was a member of the fund. He was told that his withdrawal benefit of R17 321.40 was paid on 12 March 2012. However, when he requested documents, he discovered the benefit was paid to a two year old child. He attempted to resolve the issue with the fund to no avail.

He stated that the child was his niece and that he did not sign the claim documents and noted that the signatures did not resemble his own.

The fund submitted that on 20 February 2012, it received an application to withdraw the complainant's benefit, and payment was made on 12 March 2012. The claim forms requested payment to a minor's account, supported by a birth certificate, bank statement, and a copy of the complainant's identity document. The claim forms and certified documents were furnished, and the account holder's surname matched the complainant's.

The fund further submitted that the complainant was advised to enquire with his employer regarding the claim forms furnished to the fund and lodge a criminal case for an investigation into possible fraud regarding payment of his benefit.

The Adjudicator held:

- The complainant submitted that the child whose details were used is his niece, but he did not sign the claim documents.
- The claim form required signatures from both the member (complainant) and account holder, but only one appeared, and there was an arrow suggesting an incorrect completion. The fund was asked to explain this discrepancy and its verification steps, but no response was received.
- Section 7C(1) of the ACT places a duty on the fund to act in members' best interests, including oversight of administrators and proper payment processes, to ensure that benefits are paid with due care and diligence without adversely affecting members.
- Section 7D(1) of the ACT requires the board, inter alia, to employ proper control systems. By failing to validate claims, the fund likely paid the benefit to the wrong person.
- The fund attempted to make payment conditional on a criminal investigation finding fraud, but the standard of proof in criminal proceedings differs from that of the Adjudicator, and the investigation had no bearing on the complainant's entitlement.

ORDER: The fund was ordered to pay the complainant his withdrawal benefit, plus fund return, calculated from March 2012 to the date of payment.

DELAY OF PAYMENT AND TRANSFER OF A WITHDRAWAL BENEFIT

SJ Commin v Alexander Forbes Retirement Fund – Preserved (Provident Section) (GP001196592024)

The complainant sought to withdraw part of his benefit and transfer the balance to his retirement annuity fund ("RA fund"). He first contacted the fund on 2 September 2024 and submitted the correct claim form on 16 September 2024 after initially being informed that the form provided to him was incorrect. He submitted that the fund failed to communicate properly, provided inconsistent information, and delayed both the cash payment and the transfer portion of his benefit.

He submitted that the delay caused him financial prejudice because he intended to use the withdrawal portion to assist with the purchase of a larger family vehicle and medical expenses linked to the birth of twins. He stated that, due to the delay, he had to make alternative financial arrangements, including financing a vehicle and using his credit card for medical expenses. He argued that these costs could have been avoided had the fund processed the claim and communicated with him timeously.

The fund submitted that it received the claim form on 20 September 2024 and that the complainant

requested R670 000.00 as a cash withdrawal, with the balance to be transferred to his existing RA fund. It stated that, in terms of the applicable service standards, a withdrawal claim is processed within four to six weeks from receipt of the claim form and/or allocation of the last contribution, provided that the completed recognition of transfer ("ROT") is received timeously from the receiving fund.

The fund stated that the complainant's fund credit was disinvested on 26 September 2024, a tax process was initiated on 27 September 2024, and the ROT was sent to the RA fund on 8 October 2024. It submitted that it followed up with the RA fund and could not finalise the transfer because the completed ROT and related information were outstanding. The cash portion of R554 350.00 was paid to the complainant on 15 November 2024, with R115 650.00 paid to SARS.

The fund further submitted that the remaining balance could only be transferred once the RA fund completed the ROT. It stated that the transfer amount of R936 882.13 was paid to the RA fund on 13 March 2025 and proof of payment was provided on 20 March 2025.

The RA fund acknowledged administrative failures on its part, including that correspondence relating to the ROT was not properly actioned and that the attachment containing the required ROT details



CORPORATE SUPPORT

Front Row (from left to right): Thembelihle Mabuza, Sagwati Chauke, Johanna Motaung, Clement Manenzhe, Magadi Tshitanye, Amogelang Matsosa

Back Row (from left to right): Nana Ntenga, Metsa Mkhabela, Carolina Mjono, Wonder Dila, Oritonda Motsego, Happy Nelwamondo, Bulelani Makunga, Jabulani Montshiwa, Lutricia Lynch, gomotsegang Magaseng, Qabuka September, Virginia Rakgotho, Malakia Raedani, Nhlanhla Mpembe, Tintswalo Shibambu and Vusi Mthembu

was not linked to the relevant case. It apologised for the delay and stated that measures had been implemented to prevent similar occurrences.

The Adjudicator held:

- The complainant proved that he submitted the correct claim form on 16 September 2024, notwithstanding the fund's submission that it received the claim on 20 September 2024.
- The fund's own service standards showed that a withdrawal benefit should ordinarily be processed within the specified internal timeframes (20 working days). However, the cash portion was only paid on 15 November 2024, almost two months after the claim was submitted.
- The fund had a legal duty to pay the complainant's withdrawal benefit timeously. It did not provide a cogent reason for the delay and its conduct was wrongful and negligent.
- The complainant was prejudiced by the delay as he incurred interest on vehicle finance and credit charges for medical expenses which he would not have incurred had the benefit been processed timeously.
- Although the complainant was entitled to compensation for the loss caused by the delay, he also had a duty to mitigate his damages. For this reason, the fund was not liable for all costs associated with the financed vehicle.
- The RA fund also delayed the process by failing to action correspondence and complete the ROT timeously. As a result, the complainant may have lost investment growth on the amount that should have been transferred earlier.

ORDER: The fund was ordered to pay the complainant 50% of the interest incurred on the financing of the new vehicle and to pay the complainant interest incurred as a result of medical aid bills of R4 841.60 and R5 266.60 paid using his credit card. The RA fund was ordered to pay the fund the investment loss suffered (if any) as a result of its delay.

WITHDRAWAL FROM THE SAVINGS-POT

RJ Van Der Westhuizen v Lifestyle Retirement Annuity Fund and Another (GP/00125143/2025)

The complainant purchased a retirement annuity on 5 October 2006 with a retirement date of 5 October 2038. He was paid his savings component benefit of R21 937.23 on 13 September 2024.

He stated that the law regarding the savings component benefit was enacted in 2024, allowing him to access 30% of his fund benefit. He withdrew from his savings component in 2024, but the fund denied him a second withdrawal because his policy is paid-up.

The complainant stated that the two-pot system permits an annual withdrawal, but the fund advised that, since he was no longer making contributions, he could not make a future withdrawal. He submitted that his fund credit amounted to R700 000.00, with savings of R200 000.00, and that he had only withdrawn R30 000.00 from his benefit.

The fund stated that the complainant's premium payments were discontinued on 1 November 2014 and the policy became paid-up on 23 October 2014. The policy remained active and invested, but no premiums were received.

The fund stated that in September 2024, the complainant applied for a maximum savings withdrawal. He was paid R21 937.23, with R7 707.44 deducted for tax, and his savings component was reduced to zero. As no premiums were received after 1 September 2024, no further allocations were made to the savings component.

The fund submitted that while members are allowed one withdrawal annually, the complainant's savings portion had no benefit, so no withdrawal could be processed.

The Adjudicator held:

- The rules of the fund provide that, from 1 September 2024, the fund had to allocate a once-off amount of 10%, limited to R30 000 of the member's interest in the vested component, to the savings component, as well as one-third of the contributions paid from 1 September 2024 after the deduction of costs.
- Since no further contributions were made after 1 September 2024, no further allocation could be

made.

- The complainant was only entitled to what was in his savings pot, i.e. the seeding capital, which had already been withdrawn in the previous tax year.
- The Adjudicator was satisfied that the savings withdrawal benefit was paid in accordance with the fund's rules and that no further benefits were due.

The complaint was dismissed.

TWO-POT WITHDRAWAL FROM THE VESTED POT

BJ Mvula v South African Retirement Annuity Fund (GP/00125692/2025)

A retirement annuity policy was issued to the complainant on 1 November 2002 and made paid-up on 25 February 2008. He was paid R4 205.70 from his savings component on 12 October 2024 but was aggrieved by the fund's refusal to pay his vested component after the two-pot retirement system was implemented.

He submitted that the old and new rules permit access to the vested component where a member suffers financial hardship linked to retrenchment, resignation or dismissal. He said he lost his job some years ago, withdrew his savings component, and only had R42 000 in his vested component.

The fund submitted that the complainant could only claim his full retirement benefit if he was 55 years or older, permanently disabled, the combined value of his retirement and vested components was less than R15 000, or he formally emigrated from South Africa. The complainant was not 55 years old and the policy value exceeded R15 000.

The fund stated that the policy was paid up before the implementation of the two-pot system, and the full value was allocated to the vested and savings components. The complainant had already accessed the seeded portion of R4 205.70.

The Adjudicator held:

- The savings component consists of one-third of the member's contributions from implementation date, together with a once-off seed capital of 10% or R30 000.00 of the vested component, whichever is less. The retirement component comprises the remaining two-thirds, which must be preserved until retirement. The vested component refers to the fund credit at implementation date, less the seed capital, and is accessible in accordance with the applicable legislation before implementation.
- Before 1 September 2024, a retirement annuity member could access a benefit only upon retirement or if he met the requirements for a surrender value claim, as highlighted by the fund.
- After 1 September 2024, the complainant was entitled only to his savings component upon request. He would only be entitled to his vested component in a retirement annuity when he reached retirement age. He was paid the benefit he was entitled to and was not entitled to claim his vested component at this stage.
- The fund was bound to comply with the ACT and its rules, which provide that the vested component is only payable upon the complainant reaching normal retirement age.

The complaint was dismissed.

STAKEHOLDER MANAGEMENT REPORT



The OPFA remains committed to promoting meaningful relationships with stakeholders across the retirement funds sector and broader financial services environment. Stakeholder engagement is integral to the organisation's ability to fulfil its statutory mandate of resolving pension fund complaints in a fair, accessible, and efficient manner while promoting accountability and consumer protection within the retirement funds industry.

During the 2025/26 financial year, OPFA significantly expanded its stakeholder engagement efforts through targeted engagements with retirement funds and administrators, participation in industry conferences and forums, consumer education initiatives, media engagements and strategic partnerships with regulators, educational institutions, and consumer bodies.

A total of 621 stakeholder engagement activities were undertaken during the reporting period, contributing to enhanced stakeholder relations, increased public visibility, improved access to OPFA services, and strengthened collaboration across the retirement funds sector.

A. STAKEHOLDER ENGAGEMENT AND RELATIONSHIP MANAGEMENT

The OPFA maintained regular engagement with retirement funds and fund administrators to address recurring complaint trends, improve responsiveness to requests for information, and facilitate the effective resolution of complaints. These engagements provided a platform to discuss operational challenges, identify systemic issues, and strengthen cooperation between stakeholders and the OPFA.

In support of its commitment to consumer education and access to justice, OPFA expanded its public awareness initiatives through outreach activities, career exhibitions, community engagements, and financial literacy campaigns. These included the

Rand Show, the FSCA Unclaimed Benefits Campaign (UBC), Money Smart Week South Africa (MSWSA) mall activations in Gauteng, and OPFA activations across several provinces. These initiatives enabled the organisation to engage directly with retirement fund members, beneficiaries, employees, and members of the public while promoting awareness about the mandate of the office.

The organisation also continued to use traditional and digital media platforms to communicate important developments affecting retirement fund members and beneficiaries. Representatives participated in radio, television, online, and podcast interviews, and through media releases, publications, and social media engagement, OPFA provided stakeholders with timely information on complaint trends and developments within the retirement fund industry.

B. STAKEHOLDER ENGAGEMENT ACTIVITIES

During the 2025/26 financial year, OPFA implemented various stakeholder engagement, awareness, and communication initiatives to strengthen stakeholder relationships, promote retirement fund education, and support the effective resolution of complaints. The table below summarises the stakeholder engagement activities undertaken during the reporting period.

Funds

Bridging Fund	Private Security Sector Provident Fund (PSSPF)
Fairheads Beneficiary Fund	SALA Pension Fund
Motor Industry Retirement Funds (MIRF)	Sanlam Umbrella Pension Fund
Nampak Contributory Provident Fund	Sentinel Retirement Fund

Administrators

Fairheads Benefit Services Administrators	Motor Industry Fund Administrators (MIFA)
Fairsure Administration	Salt Employee Benefits
Liberty Life	Sanlam

Conferences / Seminars / Webinars

Pension Lawyers Association (PLA) Conference	IRFA Webinar: Navigating Complaints and Strengthening Oversight
BATSETA Winter Conference	FSCA Industry Conference 2026
2025 IRFA Annual Conference	Webinar: Money Smart Week SA 2025
2025 International Network of Financial Services Ombudsman Schemes (INFO) Conference	Absa - South African Chamber of Commerce and Industry (SACCI) National Summit
2025 GEPP Thought Leadership Annual Conference	African Development Bank Group: New African Financial Architecture (NAFA) Roundtable Discussion
IRFA Webinar: Navigating Complaints and Strengthening Oversight	

Outreach activities

2025 Rand Show	N1 City Mall, Goodwood, Cape Town
BASA Financial Literacy Workshop, Northern Cape Rural TVET College, Kathu	NJMPF Annual Information Workshop, Durban
City Mall, Klerksdorp	Ratanda Mall, Heidelberg
Diepsloot Mall, Diepsloot	Soshanguve Crossing, Soshanguve
Gugulethu Square, Cape Town	South African Municipal Workers' Union (SAMWU) National Congress

Heritage Mall, Kathu	Thabong Mall, Sebokeng
Jubilee Mall, Hammanskraal	Unclaimed Benefits Campaign Outreach, Duduza, Ekurhuleni
Kagiso Mall, Kagiso	Unclaimed Benefits Campaign Outreach, Sharpeville
Kim Park Mall, Kimberley	Unpaid Benefits Campaign, Khayelitsha
Moorivier Mall, Potchefstroom	

Tertiary institutions

Lecture, University of Stellenbosch	Tshwane University of Technology (TUT) Career Expo, Pretoria West
Northern Cape Rural TVET College, Kathu	University of Pretoria Law Career Fair

Radio interviews

702/Cape Talk Simulcast	Phalaborwa Community Radio
Aganang FM	Radio 2000
Cape Talk Radio	Radio Islam
Kaya FM	SAFM
Kaya FM 95.9	Soshanguve Community Radio
Lesedi FM	Thobela FM
Lotus FM	Ukhozi FM
Metro FM	Westside FM
Moretele FM	Zibonele FM

TV interviews

Asset TV	Newzroom Afrika
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Podcasts / Online audio features

Maya on Money YouTube Interview	YouTube: EBnet Stream
SAFM Market Update with Moneyweb	

Publications

African Reporter	Moneyweb
Algoa FM	Moonstone Information Refinery
Bizcommunity	Mossel Bay Advertiser
Bloem Express	My Pressportal
Brakpan Herald	Netwerk 24
Business Explainer	News24
Business Report	Oudtshoorn Courant
Cape Argus	Parliamentary Monitoring Group
Cape Business News	Pensions World South Africa
Cape Times	Polity
Citywire	Post
Conviction	Pretoria News
Cover	Primedia+
Daily Maverick	Quarterly Digest Newsletter
Daily News	Sake
Diamond Fields Advertiser	Saturday Star
Dispatch Live	Smart About Money
EBnet	South Africa Today

Egoli Jozi News	South African Government News Agency
Engineering News	South African Mom Blogs
FA News	South Cape Forum
George Herald	Sowetan
GP News Media	Sowetan Live
Graaff-Reinet Advertiser	Sunday Independent
Herald Live	Sunday World
HR Future	Tech4Law
Huisgenoot	The Citizen
Imali Matters	The Mercury
Independent on Saturday	The Star
Independent Online (IOL)	The Witness
Insurance Biz	Thol'ispane
Joburg Etc	Times Live
Knysna Plett Herald	Today's Trustee
Limpopo Mirror	Trending Online
Mahikeng Mail	Vuk'uzenzele
Mail & Guardian	Waya Magazine
Maya on Money	You



ADJUDICATION

Front Row (from left to right): Zimasa Majola, Lebogang Mogashoa and Carmen Kotshoba

Back Row (from left to right): Lutendo Tshifularo, Nondumiso Ntshangase, Thabo Mankga, and Lucas Flink

REPORT SUMMARY

Stakeholder Engagement Activities: 01 April 2025 – 31 March 2026

Activity	2025/26
Stakeholder Meetings: Network and Information Sharing	67
Stakeholder Meetings: Facilitation of Complaints Resolution	14
Outreach Activities	24
Media Interviews	36
Media Releases	18
Quarterly Staff Meetings	4
Integrated Report	1
Publications	457
Total Activities	621

Media coverage statistics

Media coverage increased from 570 clips in 2024/25 to 799 clips in 2025/26, an overall increase of 40%. Online coverage increased from 212 to 515 clips, while print increased from 236 to 254 clips. Broadcast coverage decreased from 122 to 30 clips, primarily due to the extensive media attention generated by the implementation of the Two-Pot Retirement System in the previous financial year, which resulted in exceptionally high levels of broadcast coverage.

Clip count by category

Category	2024/25	2025/26
Print	236	254
Broadcast	122	30
Online	212	515
Total Clip Count	570	799

Advertising Value Equivalent and reach

Indicator	2024/25	2025/26
Total AVE	R30 579 915	R32 533 926
Audience Reach / Circulation	818 964 165	1 463 312 894

799

Total clips, 2025/26
▲ 40% from 570

R32.5m

Total AVE, 2025/26
▲ 6% from R30.6m

1.46bn

Audience reach, 2025/26
▲ 79% from 819m



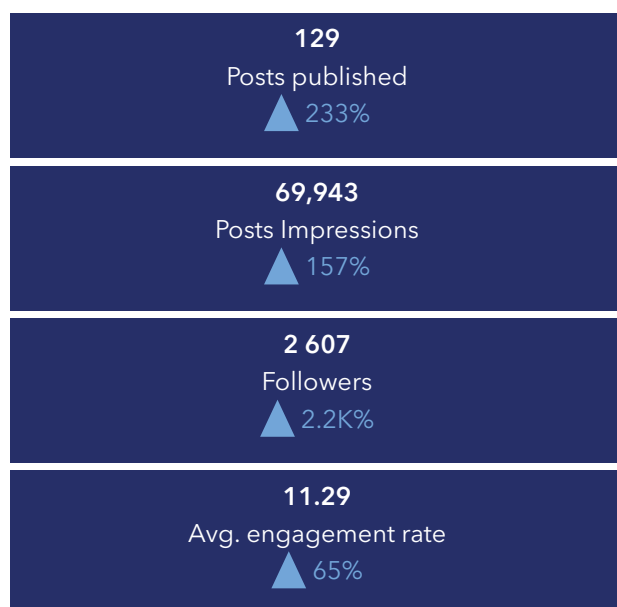
FACILITIES MANAGEMENT TEAM

Virginia Rakgotho, Malakia Raedani and Johanna Motaung

Digital stakeholder engagement

The OPFA continued to leverage digital communication platforms to increase accessibility and stakeholder engagement. The organisation's digital channels remained important tools for sharing educational content, communicating developments relating to determinations, and increasing public awareness of complaint resolution processes.

Metric	2025/26	Growth
Post video views	1 499	+222%
Post reactions and likes	932	+276%
Post link clicks	6 337	+432%
Post shares	151	+96.1%
Post comments and replies	56	+300%



Conclusion

The completion of 621 stakeholder engagement activities during the 2025/26 financial year demonstrates OPFA's commitment to maintaining strong stakeholder relationships while ensuring broad awareness of retirement fund rights and dispute resolution mechanisms. The increase in outreach initiatives, media engagement, strategic partnerships, and consumer education activities reflects the organisation's ongoing efforts to make its services more accessible and responsive to stakeholder needs.

As the organisation moves forward, stakeholder engagement will continue to play a central role in supporting good governance, promoting consumer protection, and enhancing confidence in South Africa's retirement funds industry.



INFORMATION AND COMMUNICATION TECHNOLOGY REPORT

95.9%	99-100%	9	6,032+
Service desk annual resolution rate	Network, telephony and backup uptime	Strategic projects completed	Determinations filed at courts

OVERVIEW

The 2025/26 financial year marked a defining period for the ICT and Library function, anchored by the successful close-out of the FSCA-OPFA ICT Decoupling Project in October 2025. This project established the OPFA's full technological independence from the Financial Sector Conduct Authority (FSCA), with all core ICT functions, including datacentre hosting, internet connectivity, Microsoft Cloud Services, telephony, managed security and disaster recovery, transitioned to OPFA-owned infrastructure. The human resource dimension of the transition was resolved through an outsourced support model rather than the build-out of full internal capacity, allowing the function to scale its service offering without a proportional increase in headcount.

With decoupling now complete, the ICT team redirected its focus toward the OPFA's broader strategic goal of modernising and continuously improving the technology landscape that supports the OPFA's mandate. Nine strategic projects were completed during the year, with one, the Production Infrastructure Refresh, carried over into FY 2026/27 following an extended procurement cycle.

STRATEGIC PROJECTS DELIVERED

Among the year's most significant deliverables were the replacement of legacy firewalls with next-generation FortiGate technology, the renewal of Business Continuity and Disaster Recovery services, validated through DR tests and the optimisation of the

ITSM platform following the retirement of the end-of-life Cherwell solution.

Security and access management also advanced materially. Multi-Factor Authentication for Microsoft Office 365 was rolled out across all Office 365 users, supported by a password self-help solution that reduced reliance on helpdesk intervention for routine password resets. The office further strengthened its document collaboration environment through the adoption of OneDrive for Business, moving staff away from the practice of sharing meeting packs and documents via compressed files, with the rollout sequenced behind the procurement of cloud backup protection through Veeam Data Cloud.

The intranet was upgraded to SharePoint Online, providing a modernised platform for internal collaboration and the subsequent rollout of the Records Management System. A Business Intelligence tool, Kyubit, was also implemented to support management decision-making.

ICT OPERATIONS PERFORMANCE

The ICT Service Desk logged 1,110+ calls during the year, finalising more than 1,064 of these for an annual resolution rate of 95.9%, with performance improving steadily quarter-on-quarter. The fourth quarter recorded the highest call volume of the year, averaging 126.3 calls per month, largely attributable to user queries following the go-live of the new ITSM system.

Network uptime ranged between 99% and 100% in every quarter of the year, while telephony and backup systems achieved close to 100% uptime throughout, comfortably exceeding the 90% service level target in every measure.

Five incidents were recorded across the year, including two instances of cable damage during fourth-floor renovations, a power outage in July 2025, and an internet service provider outage. All

incidents were resolved within 24 hours, and no major cybersecurity incidents were recorded during the period. Change management activity reflected 47 changes implemented, 44 of which were successful, for a success rate of 93.6%.

RECORDS MANAGEMENT

The implementation of a Records Management System on the SharePoint platform was a significant achievement for the year. The system's scope expanded beyond its initial Human Resources focus to include Finance, Supply Chain Management, and Risk and Compliance records, with ICT records added during the fourth quarter. The Librarian was designated as the Records Manager for the office and was appointed and registered with the National Archives and Records Service of South Africa's National Forum of Records Managers and Archivists.

LIBRARY SERVICES

The Library continued to provide essential support to the organisation's case management function and the broader public. More than 6,032 determinations were filed across all courts during the year, an increase driven primarily by the two-pot retirement system reform, with no backlog incurred in any quarter despite filing timelines extending to five to seven weeks per month at peak volumes. The OPFA's electronic court filing capacity expanded with the addition of a ninth Caseline profile in October 2025, and the organisation is pursuing an increase in its daily filing allocation with the Gauteng Local Division to manage continued volume growth.

Forty selected determinations were published on the OPFA website during the year, and the Library resolved 2,256 internal and external queries while facilitating 21 book loans. The Library also concluded the transition of its legislative subscription base, with Jutta appointed for both the four core pieces of website legislation and the broader online legal library.

OUTLOOK

The function enters the new financial year with its foundational independence secured, its core infrastructure modernised, and a clear mandate to advance OPFA's evolution into a proactive, data-driven and digitally accessible institution. Immediate priorities include the completion of the Production Infrastructure Refresh, the finalisation of the ICT & Digitisation Strategy inclusive of an Artificial Intelligence policy, the progression of cybersecurity maturity toward a structured and consistently applied security posture aligned to the NIST Cybersecurity Framework, and the continued development of analytics capability to support management decision-making and systemic insight. For Library Services, the cloud migration of the Library Management System, the finalisation of a dedicated case law subscription, and the rollout of records management to other business units remain key focus areas. The ICT and Library function is well positioned to play a meaningful role in OPFA's broader transformation journey, delivering technology and information services that enable the organisation to serve complainants more efficiently, securely and accessibly.



ICT

Front Row (from left to right): Nana Ntenga, Caroline Mjono, Tintswalo Shibambu
Back Row (from left to right): Qabuka September and Clement Mananzhe

HUMAN RESOURCES REPORT

1. PURPOSE

This report provides a comprehensive overview of the Human Resources (HR) function activities, achievements, and key performance highlights for the financial year ending 31 March 2026. It covers talent management, employment equity, organisational development, performance management, employee relations, rewards and recognition, employee wellness, and legislative compliance updates. The report is intended to inform governance structures and stakeholders of the OPFA's people management performance for the 2025/26 financial year.

2. TALENT MANAGEMENT

OPFA's talent management and retention strategy is supported by a commitment to deploy a highly capable and committed workforce. This is achieved by attracting, developing, and retaining skilled and capable talent through a consistent, competency-based recruitment and selection process, complemented by a competitive and market-aligned remuneration philosophy. During the 2025/26 financial year, the organisation maintained active recruitment across several occupational levels, with a particular focus on filling legal and adjudication-related positions, as well as strengthening the corporate support functions.

Staff Profile and Movement

2.1 Staff Profile

As of 31 March 2026, the OPFA's staff complement stood at 83 employees (38 Male and 45 Female), reflecting a net increase from 75 employees at the start of the financial year in April 2025. The table below reflects the distribution of staff across the two main Divisions.

Division	Headcount
Adjudication	50
Corporate Support	33
Total	83

Table 1: Staff Profile by Division

Staff Profile by Age Group

The table below provides the age profile of staff as at 31 March 2026.

Age	Male	Female	Total	Percentage
< 35	13	17	30	36%
35 - 51	25	23	48	58%
> 51	0	5	5	6%
Total	38	45	83	100%

Table 2: Staff Profile by Age Group

Generational Mix and Talent Management Implications

The OPFA's workforce reflects a predominantly Millennial composition. Employees aged 35 to 51 (broadly Millennials and younger Generation X) constitute the largest cohort at 58% of the total workforce (48 employees). The under-35 cohort, which includes both younger Millennials and Generation Z employees, represents 36% (30 employees). Generation X and Baby Boomers (those older than 51) account for only 6% (5 employees), reflecting a relatively young organisational age profile.

The predominance of Millennials and younger employees has several talent management implications:

- This cohort typically values purpose-driven work, flexibility, continuous learning, and career growth opportunities, which aligns with the OPFA's investment in the Management Development Programme, hybrid working policies, and study assistance programme.
- The significant share of employees with fewer than five years' tenure (66%) indicates ongoing onboarding and development needs, as well as a risk of attrition if career development pathways are not clearly articulated.
- The relatively small cohort of experienced employees (>10 years of service at 18%) underscores the importance of succession planning and knowledge transfer as part of the broader talent management strategy currently under review.

Staff Tenure

The table below provides the tenure profile of staff as at 31 March 2026.

Tenure	Male	Female	Total	Percentage
< 2 years	15	14	29	35%
2 – 5 years	12	14	26	31%
6 – 10 years	7	6	13	16%
> 10 years	4	11	15	18%
Total	38	45	83	100%

Table 3: Staff Tenure

2.2 Appointments and Promotions

During the 2025/26 financial year, the OPFA made a total of 19 appointments across various occupational levels, in addition to 2 promotions. Recruitment activity was high throughout the year, with particular difficulty experienced in sourcing suitably qualified candidates for legal/adjudication roles. The HR function engaged headhunting services and LinkedIn-based sourcing,. The table below reflects the number of appointments by occupational level.

Occupational Level	Number of Appointments
Top Management	1
Senior Management	0
Professionals / Middle Management	4
Skilled	10
Semi-Skilled	3
Unskilled	1
Grand Total	19

Table 4: Appointments by Occupational Level

Occupational Level	Number of Appointments
Top Management	0
Senior Management	0
Professionals / Middle Management	2
Skilled	2
Semi-Skilled	0
Unskilled	0
Grand Total	4

Table 5: Promotions by Occupational Level

2.3 Terminations

A total of eleven (11) terminations were recorded during the 2025/26 financial year, representing a turnover rate of approximately 13%. This compares favourably with the 2024/25 turnover rate of approximately 15%, indicating an improvement in staff retention. The nature of terminations included one (1) dismissal for misconduct, seven (7) end-of-contract arrangements, and three (3) voluntary resignations. Two CCMA matters arising from prior-year incidents were resolved amicably during the year.

Occupational Level	Dis-missal	End of Contract	Resig-nation	Total
Top Management	0	1	0	1
Senior Management	0	0	0	0
Professionals/ Middle Management	0	0	0	0
Skilled	0	1	2	3
Semi-Skilled	1	2	1	4
Unskilled	0	3	0	3
Grand Total	1	7	3	11

Table 6: Terminations by Occupational Level

2.4 Vacancies

The 2025/26 financial year was characterised by sustained recruitment activity. New positions were created during the year including the Executive Manager: Office of the PFA and two Case Officer posts, reflecting the OPFA's organisational growth in response to increasing complaints volumes. The table below reflects the status of key vacancies as at 31 March 2026.

No.	Position	Vacancy Period	Progress / Status
1	Junior Assistant Adjudicator	10 months	Appointment Stage
2	Assistant Adjudicator (x2)	13 months	Sourcing Stage
3	Case Officer (x2)	New position	Appointment Stage
4	Senior Assistant Adjudicator	New position	Sourcing Stage

Table 7: Vacancies as at 31 March 2026

3. EMPLOYMENT EQUITY

The OPFA continued to implement its Employment Equity Plan in accordance with the Employment Equity Act. During the 2025/26 financial year, the organisation adopted a new Employment Equity Plan for the 2025-2030 cycle, aligned to the sector-specific numerical targets published by the Department of Employment and Labour under the Employment Equity Amendment Act, No. 4 of 2022. The table below reflects the workforce profile as at 31 March 2026.

3.1 Commitment to Transformation and Employment Equity

The OPFA is steadfast in its commitment to contributing to the transformation of the workplace in line with the Employment Equity Act. The organisation maintains a workforce that is representative of the demographics of the country, in alignment with national transformation goals. Throughout the year, the Employment Equity Forum met quarterly, tracking the progress of the Employment Equity Plan. Employment Equity reports were prepared and submitted on time to the Department of Employment and Labour.

During the period under review, HR conducted Employment Equity awareness sessions and nomination processes across all Departments to enhance employee understanding of EE principles, promote transformation, and facilitate the election of EE Committee representatives. The OPFA submitted its reviewed Employment Equity Plan for 2025-2030, aligned to the prescribed sectoral targets to the by the Department of Employment and Labour.

3.2 Workplace Demographics

As at 31 March 2026, the OPFA's workforce reflects the following demographic composition:

EE Plan Targets: 2025/26 (Year 1 of 2025-2030 Plan)

Year	Financial Period	Total	Male	Female	African	Coloured	Indian	White	Total	PLWD
1	2025/26	89	47.19%	52.81%	86.51%	5.62%	5.62%	2.25%	100%	3%

Table 8: EE Plan Targets: 2025/26

Workforce EE Profile as at 31 March 2026

Occupational Level	Band	AM	AF	IM	IF	CM	CF	WM	WF	Level Total	M	F
Top Management	F	1	0	0	0	0	0	0	0	1	1	0
Senior Management	E	1	0	1	0	0	0	0	0	2	2	0
Professionals/ Middle Management	D	14	11	0	1	0	0	0	2	28	14	14
Skilled	C	11	11	0	0	0	1	0	0	23	11	12
Semi-skilled	B	5	12	0	0	0	0	0	0	17	5	12
Unskilled	A	5	7	0	0	0	0	0	0	12	5	7
Total	-	37	41	1	1	0	1	0	2	83	38	45
Headcount per group	-	78	2	1	2	83	-	-	-			
% of workforce	-	94%	-	2%	-	1%	-	2%	-	100%	46%	54%
EE target %	-	87%	-	6%	-	6%	-	2%	-	100%	47%	53%
Variance from target	-	+7%	-	-4%	-	-5%	-	0%	-	-	-1%	+1%
PLWD (3 employees = 4%)												

Table 9: Workforce Profiles as at 31 March 2026

Acronyms: AM – African Male; AF – African Female; IM – Indian Male; IF – Indian Female; CM – Coloured Male; CF – Coloured Female; WM – White Male; WF – White Female.

- African employees: 78 employees (94%), significantly exceeding the EE target of 87%. The organisation's overall Black employee representation (African + Indian + Coloured) stands at approximately 97%.
- Indian employees: 2 employees (2%), below the EE target of 6%, indicating an underachievement of 4 percentage points (approximately 3 employees short of target).
- Coloured employees: 1 employee (1%), significantly below the EE target of 6%, representing the area of greatest underrepresentation. Approximately 4 additional Coloured employees are required to meet the target.
- White employees: 2 employees (2%), in line with the EE target of 2.25%, reflecting full achievement.

- Gender: The current gender split is 46% male (38 employees) and 54% female (45 employees), broadly aligned with the EE targets of 47% male and 53% female. Female representation exceeds the target, reflecting an overall achievement of the gender equity objective.
- Persons Living with Disabilities (PLWDs): PLWD representation stands at 3 employees (4%). This is indicative of the overachievement of the EE target of 3%.

While the organisation has over-achieved on African representation, PLWD and gender equity target, the under-representation of Indian and Coloured designated groups remains areas of focus. Recruitment, selection, and succession planning processes will continue to be guided by the EE Plan, with due regard to merit, skills availability, and operational requirements, to progressively improve representation in designated groups where shortfalls have been identified.

4. ORGANISATIONAL DEVELOPMENT

4.1 HR Strategy 2025-2030

The HR Strategy for the period 2025 to 2030 was developed during the first quarter of the financial year to align with the new Organisational Strategic Plan 2025-2030. The strategy was consulted with MANCO and approved by the PFA. It was presented to all staff on 30 June 2025. The strategy focuses on aligning HR priorities with the organisation's vision of being a respected and trusted Adjudicator, emphasising the development of a dynamic and adaptive workforce capable of meeting the evolving demands of the pension fund landscape in South Africa.

As at 31 March 2026, the following initiatives were completed:

- Review of the HR Strategy - June 2025
- HR Function sustainability and filling of HR positions - August 2025
- Management Development Programme (MDP) - October-November 2025
- Employment Equity (EE) Plan - 15 January 2026
- Employee Engagement Survey - March 2026
- Climate Survey - March 2026

The following 2025/26 HR Strategy initiatives were not fully met and will be carried forward or reconsidered in 2026/27:

- Outreach Programme (HR Partnering with Case Management) - to be reconsidered for the next financial year
- Career Fair Project: University Talent Attraction - to be reconsidered for the next financial year
- Performance Metrics Tool for the Head of HR and HR Function - in progress
- Remuneration Review Implementation Plan - in progress
- Organisational Profiling & Values Communication Plan - partially met: EVP approved (completed); Brand Promotion and Stakeholder Engagement deferred to next financial year
- 360-Degree Evaluation Tool implementation - in progress
- Change Management Project Implementation Report - in progress
- Buddy and Mentorship System - in progress; to be reconsidered as part of the talent management strategy review
- Continuous Development Plan/Training Plan for People Managers - in progress; to be reconsidered as part of the talent management strategy review
- Recognition and Non-Cash Rewards Guidelines - in progress
- Annual Training Report/Implementation - 67% achieved; more than 67% of training target met.

4.2 Organisational Change Management

The 2025/26 financial year represented a critical year in the OPFA's formal change management journey. The initiative initially commenced in Q3 of 2024/25 in response to structural and legislative changes arising from amendments to the ACT continued to be actively implemented throughout the period, with the objective of supporting employees and management in navigating organisational transition while maintaining cohesion and performance.

The year opened with qualitative focus group sessions conducted in April 2025, designed to deepen the insights gained from the quantitative Change Readiness and Employee Satisfaction

Survey administered in March 2025. These sessions provided a platform for employees and management to share their experiences and perspectives on the changes under way, and their findings informed the draft Findings and Recommendations Report subsequently reviewed by the Executive Committee in June 2025. In that same month, HR engaged directly with the change management consultant to incorporate EXCO feedback and finalise the report. In July 2025, a joint session between the change management and 360-degree feedback consultants ensured that both initiatives were integrated and aligned, thereby maximising their collective impact on leadership and people development.

The most visible phase of the process unfolded in October 2025, when feedback sessions were facilitated directly with staff across two sessions on 16 and 17 October. These sessions provided employees and leaders with an opportunity to engage with the findings, ask questions, and begin charting the path forward together. In November 2025, a dedicated session was held with People Managers under the theme 'Being a Manager in the 21st Century', addressing the evolving expectations placed on leaders in a period of organisational change and reflecting the OPFA's commitment to building management capability as a cornerstone of effective transformation.

As the financial year drew to a close, the change management process transitioned through two further significant milestones. In February 2026, the completed Change Management Report and implementation plan were formally incorporated into the leadership handover documentation provided to the incoming PFA, ensuring continuity and strategic grounding for the new leadership. By March 2026, management had resolved that separate follow-up engagement sessions should be held for management and employees respectively a deliberate decision to tailor the conversation to the distinct needs and concerns of each group as the organisation continues its transition. The outcomes of this process are also expected to inform the implementation of the 360-degree feedback project, linking people development with change readiness in a coherent and sustainable manner.

4.3 Integrated Workplace Culture and Employee Satisfaction Survey

As a strategic deliverable within the HR Strategy 2025-2030, the OPFA commissioned an Integrated Workplace Climate and Employee Engagement Survey facilitated by an independent service provider. The survey was designed to establish a data-driven baseline of the organisation's cultural health and to identify the key drivers of employee commitment as the OPFA transitions into its new strategic cycle.

Two primary baseline indices were established from the results. The Employee Engagement Index reached 73.6%, surpassing both the OPFA's internal target of 70% and the South African Reserve Bank (SARB) benchmark of 72.2%, positioning the OPFA as a high-commitment organisation. This index is anchored by strong scores on Organisational Pride (87.0%), willingness to provide extra effort to meet deadlines (93.5%), and a sense of meaningful contribution to the OPFA's mandate (85.7%). The Organisational Climate Index, which measures the quality of the daily working environment, was recorded at 65.8% - below the 70% internal benchmark - revealing a 7.8% sustainability gap in which the systemic support structures provided by the organisation do not yet fully match the high level of dedication that employees bring to their work.

The survey confirmed several important strengths: Integrity and Ethics emerged as the highest-scoring dimension at 93.5%, reflecting deep staff trust in the OPFA's adjudicatory standards - a score that outperforms even the largest state entities. Resource Adequacy was similarly strong at 92.2%, and Knowledge Sharing at 80.5% affirmed a collaborative, expertise-sharing team culture. Against these strengths, however, the survey identified four critical risk areas. Career Equity recorded the lowest score in the entire survey at 40.3%, signalling a perceived lack of transparency in promotions - a risk that is most acute among the 42.9% of staff with more than five years of service. Performance Pressure was equally concerning, with only 42.1% agreeing that targets are realistic even as 93.5% continue to give extra effort, creating a meaningful burnout risk. Psychological Safety at 53.9% falls below the healthy organisational baseline, indicating that too many employees

feel hesitant to challenge ideas or flag concerns a particularly consequential gap in a high-stakes legal environment. Finally, only 51.3% of staff feel valued for their contributions, a recognition gap that, if unaddressed, risks converting the organisation's most committed people into flight risks.

When benchmarked externally, the OPFA's Engagement Index (73.6%) far exceeds the South African public sector average of 58-64%. The Climate Index (65.8%) confirms that the OPFA's path to Employer of Choice status lies not in growing engagement, which is already exceptional, but in closing the climate gap through structural intervention. To this end, the survey recommended establishing a transparent career pathing framework, conducting a formal workload analysis in Case Management, implementing a 'Safety to Speak' leadership initiative, and modernising the Recognition and Rewards system. A phased implementation roadmap has been proposed, running from executive alignment and staff disclosure in April-May 2026 through to co-creation workshops and a pulse survey check-in by October 2026, with findings to be presented to governance structures in April 2026.

4.4 HR Policy Updates and Roll-Out

As part of the organisation's annual governance and compliance processes, a comprehensive policy roll-out was conducted from 14 to 28 January 2026 through virtual workshops attended by all staff. The roll-out covered policies from Human Resources, Supply Chain Management, Finance, Communications, Case Management, Risk and Compliance, Legal Services, and Facilities Management. The purpose was to workshop policy changes, enhance employee understanding of policy requirements, and provide a platform for engagement and clarification.

Post-session feedback gathered through an anonymous survey indicated that the majority of respondents found the sessions clear, informative, and effective, with most expectations met or

exceeded. Key recommendations for improvement included reducing the number of policies per session, shortening presentation times, improving interactivity, and considering physical or hybrid delivery in future. These insights will inform the planning of future policy roll-out sessions.

4.5 Job Evaluations and Organisational Design

Several job evaluation exercises were undertaken during the year to ensure that positions are appropriately graded and aligned with organisational needs:

- Executive Manager: Office of the PFA - New position
- SCM and Logistics Administrator - Regraded after promotion from position of Driver
- Risk and Compliance Officer and Communications Practitioner - Changes in organisational structure

5. TRAINING AND DEVELOPMENT

During the 2025/26 financial year, the OPFA implemented a comprehensive training programme aimed at enhancing employee capabilities, fostering skills development, and supporting the organisation's strategic goals. A total of 16 training interventions were conducted throughout the period under review. A flagship initiative was the Management Development Programme (MDP) offered in partnership with the UNISA School of Business Leadership (SBL). The 15-week programme was attended by eleven (11) People Managers and one (1) employee, covering key modules including Strategy Implementation, Mobilising People, Essential Management Skills, and Operations and Supply Chain Management. The programme was successfully concluded at the end of November 2025.

The table below reflects training activities implemented during the 2025/26 financial year:

Training Programme	Training Beneficiaries
360° Performance Feedback Sensitisation	Management
Personal Assistants Training	Administrative Staff
Management Development Programme	12 People Managers + 1 Employee
Competency-Based Interview Training	11 People Managers
Employment Equity Awareness and Nominations Programme	All Departments
New Employee Induction	New Employees
Self-Defence Class: 16 Days of Activism – Gender-Based Violence	Female Employees
Compulsory Ethics Training	75 Employees
Annual Policy Roll-Out	All Staff
Hybrid and Productivity Training for People Managers	13 People Managers
Hybrid and Productivity Training for Employees	53 Employees
Fundamentals of Artificial Intelligence and Cyber Security	83 Employees

Table 10: Training Report 2025/26

5.1 Employee Study Assistance

The OPFA continued to support the academic and professional growth of employees through the Employee Study Assistance Programme. At the start of the financial year, eight (8) employees were receiving study assistance. As at 31 March 2026, eleven (11) employees were receiving financial support for their studies, pursuing qualifications that contribute to both their personal development and the organisation's long-term capability goals. The table below reflects study assistance beneficiaries by occupational level and qualification, without disclosing individual employee details.

Occupational Level	Race and Gender	Qualification/ Programme	Institution	Expected Completion
Professionals/Middle Management	African Male	Bachelor of Laws (LLB)	UNISA	2029
Professionals/Middle Management	African Male	Bachelor of Laws (LLB)	Regenesys Business School	2026
Skilled	African Male	Bachelor of Laws (LLB)	UNISA	2025
Skilled	African Male	Master of Commerce: Human Resources Management	University of KwaZulu-Natal	2028
Skilled	African Male	Postgraduate Diploma in Financial Planning Law	University of Free State	2026
Semi-skilled	African Female	Bachelor of Accounting Sciences (Financial Accounting)	UNISA	2026
Semi-skilled	African Female	Bachelor of Accounting Sciences (Financial Accounting)	UNISA	2026
Skilled	African Female	Advanced Diploma in Procurement and Supply Chain Management	Harvest House Consulting & Training	2026

Occupational Level	Race and Gender	Qualification/ Programme	Institution	Expected Completion
Skilled	African Female	Postgraduate Diploma in Accounting Sciences	UNISA	2026
Semi-skilled	African Female	Honours in Business Administration	MANCOSA	2026
Unskilled	African Male	Higher Certificate in Paralegal Practice	Boston City Campus	2026
Professionals/Middle Management	African Female	Postgraduate Diploma in IT	MANCOSA	2026
Skilled	African Male	Postgraduate Diploma in IT	MANCOSA	2026
Skilled	African Female	Advanced Diploma in Procurement and Supply Chain	Harvest House Consulting and Training	2025
Professionals/Middle Management	African Male	Advanced Diploma in Procurement and Supply Chain	Harvest House Consulting and Training	2026
Professionals/Middle Management	African Male	Master of Business Administration	Regenesys Business School	2026

Table 11: Employee Study Assistance 2025/26

6. PERFORMANCE MANAGEMENT AND EMPLOYEE RELATIONS

6.1 Performance Management

The 2024/25 final performance reviews for all staff were completed by May 2025, with Moderation Committee meetings held in May 2025. Performance contracting for 2025/26 was initiated thereafter. The table below outlines a summary of employee performance.

	Below Expectations	Met Expectations	Exceeded Expectations
No. of employees	5	27	45

Table 12: Employee Performance 2025/26

During the 2025/26 financial year, the organisation implemented four (4) Performance Improvement Plans (PIPs) to support employees in meeting the required performance standards. These interventions reflect the organisation's commitment to providing necessary coaching, supporting employee development, fostering accountability, and driving a high-performance culture.

The OPFA initiated the 360-degree performance feedback process to strengthen and complement existing performance management processes. This initiative is aimed at supporting the organisation's culture improvement roadmap, which emphasises empowered, agile, ethical, compliant, and objective leadership, as well as positioning managers as responsible coaches. This process enables the collection of holistic, multi-source insights from peers, subordinates, and supervisors, thereby promoting self-awareness, accountability, and continuous development among leaders. Thus, it serves as a critical tool to reinforce desired leadership behaviours, identify development areas, and support the transition towards a more responsive, values-driven, and high-performance organisational culture.

6.2 Employee Relations

For the period under review, corrective actions were issued across various departments to address misconduct and incapacity. The table below summarises the disciplinary actions taken during the 2025/26 financial year.

Reason	Dismissal	Verbal Warning	Written Warning	Final Written Warning	Grand Total
Misconduct	1	0	4	1	6
Poor Performance/Incapacity	0	0	0	0	0
Grand Total	1	0	4	1	6

Table 13: Employee Relations Report 2025/26

CCMA Matters

Two CCMA matters arising from prior-year incidents were resolved during the 2025/26 financial year:

- A former employee who had resigned in June 2024 pending a disciplinary process referred the matter to the CCMA. The matter was settled at arbitration on 6 May 2025. The OPFA has complied fully with the terms of the settlement agreement.
- A former employee who was dismissed for misconduct referred the matter to the CCMA. A Con-Arb hearing was held on 7 May 2025. The parties reached a settlement. The OPFA has complied with all terms of the agreement.

7. EMPLOYEE REWARDS AND RECOGNITION

7.1 Remuneration Strategy Review

The comprehensive review of the OPFA's Remuneration Policy initiated in February 2025 in collaboration with an independent remuneration expert continued during the 2025/26 financial year. Key focus areas include the structure and effectiveness of short-term incentive schemes, the consistency and competitiveness of annual salary adjustments, and the organisation's salary offer practices for new appointments.

In May 2025, the OPFA conducted its annual market benchmarking survey with the assistance of the FSCA, comparing OPFA salaries to market benchmarks per grade. The survey findings were presented to the Remuneration Subcommittee and shared with all staff on 30 June 2025. The Remuneration Framework Review findings and recommendations were under review at the time of reporting, with an implementation plan in progress. The outcomes of the review will inform the future direction of the OPFA's Remuneration Strategy, supporting the goal

of maintaining a motivated and engaged workforce.

7.2 Long Service Recognition Awards

The OPFA continued to honour long-serving employees through its Long Service Recognition Programme.

Years in Service	Occupational Level	Race and Gender	No. of Employees
18	Professionals/ Middle Management	African Male	1
17	Semi-skilled	African Female	1
16	Semi-skilled	African Female	1
15	Professionals/ Middle Management	African Male	1
	Skilled	Coloured Female	1
	Semi-skilled	African Female	1
10	Skilled	African Male	1
	Semi-skilled	African Male	1
5	Senior Management	Indian Male	1
	Professionals/ Middle Management	African Male	1
	Skilled	African Female	1
	Semi-skilled	African Female	1
	Semi-skilled	African Male	1

8. EMPLOYEE WELLNESS

OPFA remains committed to the wellness and wellbeing of its employees, offering a range of initiatives designed to promote engagement, health, and a positive work environment. The Employee Wellness Programme (EWP) is provided through Universal Corporate Wellness (UCW), which was appointed following the expiry of the previous EWP contract in August 2024.

An internal survey on employee experience with the EWP revealed that, while staff are aware of the programme, uptake has been limited due to time constraints, perceived lack of need, and concerns about confidentiality. In response, initiatives to address these barriers were incorporated into the 2025/26 Wellness Plan in collaboration with UCW, including improved communication, trust-building, enhanced visibility through on-site sessions, and visible leadership participation.

The wellness calendar for the 2025/26 financial year was deliberately structured to address employees' holistic needs spanning physical health, mental wellbeing, financial resilience, and social connectedness. Below is an outline of Employee Wellness initiatives implemented in 2025/26.

- **Quarterly UCW Wellness Session:** Focused on sharing relevant wellness information and addressing challenges related to organisational wellness services. Attended by 54 employees.
- **'Let's Talk Wellness - the Fun Way!' Holistic Wellness Session:** Facilitated by UCW, with 59 employees in attendance. Key highlights included insights from the Wellness Wheel, mindfulness strategies, emotional intelligence, and personalised action planning.
- **702 Walk the Talk:** 27 staff members participated, promoting physical well-being, teamwork, and community spirit.
- **Women's Day Recognition:** OPFA ladies were treated to spa vouchers in appreciation of their contributions to the organisation.
- **Spring Day Celebration:** Staff participated in floral-themed dress-up activities with prizes awarded for best-themed outfits.
- **Secretaries' Day Recognition:** Personalised hampers and messages of appreciation were presented to secretarial staff.
- **Breast Cancer Awareness:** Awareness material was shared, with a breast cancer screening session scheduled.

- **Mental Health Awareness and On-site Counselling:** A four-week on-site counselling sessions with nurses. An EWP information session was conducted with 47 employees in attendance.
- **Medical Aid Annual Reviews:** Medical aid service providers briefed employees on benefit changes and contributions for the coming year.
- **Boss's Day:** Recognised and celebrated the contributions of OPFA's People Managers.
- **16 Days of Activism Against Gender-Based Violence:** Purple ribbons distributed, awareness posted on the intranet, and a Self-Defence Class held for female employees.
- **Employee Wellness Day:** Services included therapeutic massages, blood donation, breast cancer examinations, general health screenings, and financial wellness advisory support from Old Mutual. The initiative was well received.

Cultural and Health Initiatives

Efforts to strengthen the OPFA's organisational culture continued throughout the year, with various activities aimed at fostering employee engagement, celebrating diversity, and promoting health and wellbeing. The Culture Committee remained active throughout the year, celebrating individual employee milestones and team activities.

9. HR MANAGEMENT INFORMATION SYSTEM

The OPFA continued to leverage its Human Resources Information System (HRIS) introduced in the prior financial year to manage key HR responsibilities including leave management, performance management, payroll administration, and document management. The system has enabled more streamlined processes and improved efficiency across the HR function, replacing the previous paper-based approach.

OTHER MATTERS

In addition, a business re-engineering exercise was initiated in February 2026 to address the significant increase in the number of complaints received by the OPFA. Year-to-date new complaints as at 31 December 2025 had increased by 33% compared to the same period in the prior year. A total of 13,041 complaints were recorded as at the end of the 2025/26 financial year (31 March 2026). This concerning trend has been monitored since the introduction of the two-pot system in September 2024, which the organisation is unable to fully absorb with current capacity. The re-engineering exercise - which includes a review of

processes, systems, and organisational capacity – is expected to be completed before the end of Quarter 1 of the 2026/27 financial year.

10. CHANGES IN LABOUR LEGISLATION

The following legislative developments were noted during the 2025/26 financial year and their implications for the OPFA assessed:

10.1 Employment Equity Amendment Act, No. 4 of 2022

The Employment Equity Amendment Act came into effect on 1 January 2025, granting the Minister of Employment and Labour powers to set sector-specific numerical targets. The sector-specific targets for the 2025–2030 reporting period were published and the OPFA submitted its revised Employment Equity Plan for 2025–2030, aligned to the prescribed sectoral targets, for approval by the Department of Employment and Labour. On 18 February 2025, the OPFA attended a consultation with the Department on the EE sector targets. The OPFA will continue to monitor developments and align its EE policies and EE Plan accordingly.

10.2 New Code of Good Practice: Dismissal

The new Code of Good Practice: Dismissal came into effect on 4 September 2025, updating previous dismissal and retrenchment codes by providing clearer guidance to small enterprises on matters such as employee misconduct, probation, performance

management, incapacity, retrenchment, and unprotected strikes. These changes do not have direct implications for the OPFA, as the organisation does not fall within the category of small enterprises to which the new guidance primarily applies.

10.3 Constitutional Court Ruling: Parental Leave

The Constitutional Court of South Africa ruled that certain sections of the Basic Conditions of Employment Act and the Unemployment Insurance Fund Act are unconstitutional, as they unfairly discriminate between parents based on gender, type of parenthood (birth, adoption, surrogacy), and family structure. An interim framework now allows parents to share four months and ten days of parental leave, with the birth mother entitled to six weeks' recovery leave. Parliament has 36 months to amend the legislation. In light of this ruling, the OPFA will update its internal leave policy and procedures to ensure alignment with the interim requirements and to prepare for the forthcoming legislative amendments.

10.4 Companies Amendment Act, No. 16 of 2024

The Companies Amendment Act No. 16 of 2024 was promulgated and became effective on 27 December 2024. The main changes introduced in sections 6A(a) and (b) relate to detailed remuneration information being required in Remuneration Subcommittee reports. While this legislation is not directly applicable to the OPFA as a Schedule 3A PFMA entity, the requirements will be considered and incorporated as best practice in future remuneration subcommittee reports.



HR

From left to right: Amogelang Matsosa, Nhlanhla Mpembe, Lutricia Lynch

11. TOP EMPLOYER CERTIFICATION

FOR THE 2026 CALENDAR YEAR

The OPFA's first Top Employer certification for the 2026 review period by the Top Employer Institute, represents a significant achievement and affirms the organisation's commitment to progressive, people-centred and strategically aligned human resource practices. The certification supports the OPFA's strategic objective of positioning itself as an employer of choice, while strengthening employee experience, talent attraction and retention, organisational culture, and overall service delivery capability.

The certification provides the OPFA with a global benchmark against which to assess and improve the maturity of its HR practices, policies, employee value proposition and leadership processes. It aligns with the HR Strategy for the 2026-2030 period, particularly the priorities relating to HR excellence, employer brand visibility, employee engagement, digital HR solutions, a supportive work environment, diversity and effective talent management.

Internally, the certification will be used as a continuous improvement tool across the full employee life cycle, including recruitment, onboarding, performance management, learning and development, succession planning, employee wellness, employment equity, employee relations, recognition and exit management. It creates an opportunity to standardise HR processes, strengthen policy implementation, improve workforce planning and move from reactive HR administration to proactive, evidence-based human capital management.

Externally, the certification enhances the OPFA's image and reputation as a credible, progressive and people-focused public institution. It can strengthen stakeholder confidence by



demonstrating that the organisation invests in governance, professionalisation, employee well-being and the internal capability required to deliver on its mandate. It also provides a valuable platform for employer branding, recruitment of top talent, career pathing, internship programmes, and stakeholder communication.

To realise the full value of the certification, the OPFA will formally integrate it into the current HR Strategy and HR policies, which are due for review in the 2026/27 period. A clear improvement action plan will be developed, with accountable owners, timelines and measurable indicators such as employee engagement scores, turnover, time-to-fill critical vacancies, training implementation, wellness uptake, policy review progress and employee experience feedback.

The OPFA's first Top Employer certification is a major milestone that will be leveraged to strengthen HR governance, improve employee experience, attract and retain scarce talent, and reinforce the organisation's employer of choice positioning. Its true value will be realised through sustained implementation, monitoring and communication, ensuring that the certification becomes a practical driver of organisational effectiveness and a lived experience for employees.





PART F



FINANCIAL INFORMATION

CFO REPORT ON BUDGET AND LEVIES



Bulelani Makunga
EHCS & CFO

BUDGET AND LEVIES OVERVIEW

The financial year under review is the second year of the OPFA independence from the FSCA. The OPFA is now funded directly through levies imposed on the retirement industry. This funding model reinforces the OPFA's independence as a statutory ombud scheme from the FSCA in its operations and funding. However, the model continues to face challenges, including a significant decrease in membership numbers, which has negatively affected the OPFA's budgeting and funding processes. The challenges were further compounded by changes to the gazetted levy provisions, which excluded beneficiaries of pension fund members, individuals who were previously included in the levy base.

The budget for the financial year 2025/26 was developed on the basis that it would meet the OPFA's operational requirements, support its growth projections and technological improvements, and the anticipated inflationary increases (CPI). Under the

current funding model, any under-collection of levies will negatively affect the OPFA's operations, while any over-collection will strengthen the OPFA's financial position and a review of the current funding model to allow the OPFA to discharge its organisational mandate. In the current financial year, the proposed budget was under funded by R3million as a result of the decrease in the levy base primarily due to reduction in pension fund member numbers and changes in how eligible members are defined for levy purposes.

During the year, the OPFA experienced a substantial increase in complaints, placing significant pressure on its already constrained resources and operational capacity. This surge highlighted the urgent need for additional funding to acquire the resources required to respond effectively to growing service demands and fulfil the organisation's mandate.

The OPFA also encountered significant cash flow challenges arising from delays in budget approval processes. Although these challenges were ultimately resolved, the experience underscored the importance of establishing adequate reserves to enhance financial resilience. Management is therefore actively exploring strategies to build sustainable reserves over the medium to long term.

MANAGING OUR CAPITALS

Improving our operations

During the year under review, we completed the implementation of Enterprise Resource Planning system projects for Finance and Supply Chain Management functions to strengthen our operations to improve operational performance and financial controls, management, and performance.

The final phase of the office space modernization, redesign, and revamp project was concluded to accommodate OPFA's growing staff complement, enhancing uninterrupted provision of services and access for stakeholders.

Significant progress was made in the ICT decoupling project from FSCA. The project has reached its final milestone and will eliminate OPFA's dependency on the FSCA for ICT support services.

REVENUE

Revenue consists of levies and interest from exchange and non-exchange transactions. For the year ended 31 March 2026, revenue decreased by 5.2% to R116 million, a decrease of R5 million (2025: R121 million), mainly due to a decline in membership numbers compared to previous years.

EXPENDITURE

Operating expenditure for the year increased by 13.6% to R112m (2025: R98.6m). This increase is attributable mainly to major projects (Office accommodation revamp, ERP system and ICT infrastructure), personnel costs from filling vacancies and promotions, stakeholder management from improved stakeholder engagement, and ICT costs from extensions of computer warranties and support services related to the decoupling project, amongst others.

WORKING CAPITAL

We adopted active cash management strategies to effectively manage our working capital to meet financial obligations when they fall due. Cash flow was closely managed, and surplus funds are invested in the Corporation for Public Deposits with the South African Reserve Bank (SARB). The net current assets maintained for the financial year remained favorable at R72.4 million (2025: R68.6 million).

TRADE AND OTHER PAYABLES

The target for all trade payables is to settle them within 30 days of receiving suppliers' invoices in line with National Treasury Regulations. In this regard, we have achieved an average of 5.72 days for the year (2025: 5.57 days), which is within the 30 days as prescribed by the National Treasury. At the end of the financial year, payables from exchange amounted to R6 million (2025: R4.7 million); provisions of R4 million (2025: R3 million) and payables from non-exchange of R0.8 million (2025: R0 million).



TRADE RECEIVABLES

Our trade receivables from non-exchange amounted to R0.2 million (2025: R1 million), whilst receivables from exchange amounted to R1 million (2025: R0.7 million). Receivables from non-exchange transactions are made up of pension fund levies.

OUTLOOK

The OPFA will look to continue with projects aimed at supporting its strategic objectives from infrastructure modernisation, technological improvements, business process re-engineering and investment in human capital aimed at strengthening its capacity to deliver its services more efficiently.

With the adoption of a new strategy, we look forward to a responsive budget process and implementation that will enable the OPFA to achieve excellence in the disposal of complaints, create awareness about the OPFA's mandate, improved visibility and accessibility, position the OPFA as an employer of choice, and achieve good governance and clean administration.



Bulelani Makunga
EHCS & CFO



FINANCE

Front Row (from left to right): Metsa Mkhabela, Oritonda Motsego, Sagwati Chauke

Back Row (from left to right): Gomotsegang Magaseng, Jabulani Montshiwa, Thembelihle Mabuza, Wonder Dila





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** This does not form part of the Financial Statement*

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The accounting authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and 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 authority acknowledges that he is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting authority to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in

the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting authority has reviewed the entity's cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, he is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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



LP Mogashoa

Pension Funds Adjudicator - Accounting Authority
Pretoria

31 July 2026

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present our report for the financial year ended 31 March 2026. The Audit committee provides oversight on behalf of the accounting authority of the OPFA, the Adjudicator, in terms of section 77(c) of the PFMA and consists of only nonexecutive members. The committee is a statutory committee of the accounting authority and does not perform any management functions or assume any management responsibilities. The committee's role is to review, monitor and advise the accounting authority in his responsibility to ensure effective financial, performance and risk management systems at the OPFA. The committee also evaluates, monitors and advises on the system of internal control and its operating effectiveness. The committee ensures that identified financial risks are monitored and appropriate measures are put in place and implemented to manage such risks. Members of the OPFA management, internal auditors and AGSA attend Audit committee meetings by invitation.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 7 number of meetings were held.

Name of member	Number of meetings attended
N Esterhuizen (Chairperson)	7/7
T Ajam	7/7
N Baloyi (Appointment- 01 September 2025)	4/4
P Maluleke (Appointment- 01 September 2025)	4/4
L Ntuane (Term ended- 30 June 2025)	1/1
V Joseph (Term ended- 30 June 2025)	1/1

V Pangwa (Term ended- 30 June 2025)	1/1
P Mvulane (Term ended- 30 June 2025)	1/1

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

F. N. Esterhuizen

Chairperson of the Audit Committee

31 July 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Note(s)	2026 R	2025 R
ASSETS			
Current assets			
Cash and cash equivalents	4	54,401,837	53,216,461
Receivables from exchange transactions	5	1,160,176	773,389
Receivables from non-exchange transactions	6	191,831	1,001,510
Prepayments	7	3,226,842	2,938,042
		58,980,686	57,929,402
Non-current assets			
Property, plant and equipment	8	19,525,014	14,355,684
Intangible assets	9	4,787,926	4,069,819
		24,312,940	18,425,503
TOTAL ASSETS		83,293,626	76,354,905
LIABILITIES			
Current Liabilities			
Payables from exchange transactions	10	6,089,825	4,652,142
Provisions	11	4,000,963	3,099,452
Payables from non-exchange transactions	12	823,321	-
TOTAL LIABILITIES		10,914,109	7,751,594
NET ASSETS			
Accumulated Surplus		72,379,524	68,603,311
TOTAL NET ASSETS		72,379,524	68,603,311

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2026 R	2025 R
REVENUE			
Revenue from exchange transactions			
Interest revenue		911,265	1,301,453
Revenue from non-exchange transactions			
Revenue from non-exchange transactions - Levies	13	115,401,407	120,516,107
Interest from non-exchange transactions - Levies		28,920	13,057
Total revenue from non-exchange transactions		115,430,327	120,529,164
TOTAL REVENUE	14	116,341,592	121,830,617
EXPENDITURE			
Auditor's remuneration - external		(2,031,435)	(1,987,052)
Auditor's remuneration - internal		(468,637)	(697,782)
Consulting and professional fees		(1,685,903)	(1,847,700)
Depreciation and amortisation	15	(7,820,811)	(4,845,654)
IT Maintenance and Support		(9,591,190)	(14,033,878)
Operating lease rentals	16	(8,062,772)	(4,886,916)
Legal expenses		(684,673)	(888,981)
Other operating costs	17	(13,851,927)	(9,509,678)
Personnel costs	18	(68,368,031)	(59,886,586)
TOTAL EXPENDITURE		(112,565,379)	(98,584,227)
SURPLUS FOR THE YEAR		3,776,213	23,246,390

STATEMENT OF CHANGES IN NET ASSETS

	Note(s)	Accumulated surplus / deficit	Total Net Assets
Balance at 01 April 2024		45,356,921	45,356,921
Changes in net assets			
Surplus for the year		23,246,390	23,246,390
Total changes		23,246,390	23,246,390
Balance at 01 April 2025		68,603,311	68,603,311
Changes in net assets			
Surplus for the year		3,776,213	3,776,213
Total changes		3,776,213	3,776,213
Balance at 31 March 2026		72,379,524	72,379,524

CASH FLOW STATEMENT

	Note(s)	2026 R	2025 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Revenue from non-exchange transactions-Levies		115,048,066	119,551,825
Interest		911,265	1,301,453
Other cash items		-	1,125
		115,959,331	120,854,403
Payments			
Employee costs		(68,435,620)	(59,163,077)
Suppliers		(32,845,624)	(32,760,725)
		(101,281,244)	(91,923,802)
Net cash flows from operating activities	19	14,678,087	28,930,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(11,456,191)	(7,197,389)
Purchase of intangible assets	9	(2,427,350)	(2,666,596)
Proceeds from sale of property, plant and equipment		390,831	8,161
Net cash flows from investing activities		(13,492,710)	(9,855,824)
Net increase/(decrease) in cash and cash equivalents		1,185,377	19,074,777
Cash and cash equivalents at beginning of the year		53,216,460	34,141,683
Cash and cash equivalents at end of the year	4	54,401,837	53,216,460

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Modified Cash Basis

STATEMENT OF FINANCIAL PERFORMANCE	Approved budget	Adjust- ments	Final Budget	Actual amounts on compara- ble basis	Difference between final budget and actual	Reference
	R	R	R	R	R	R
REVENUE						
Revenue from exchange transactions						
Interest Received	1,117,183	-	1,117,183	911,265	(205,918)	
Interest from non-exchange transactions - Levies				28,921	28,921	
Total revenue from exchange transactions	1,117,183	-	1,117,183	940,186	(176,997)	
Revenue from non-exchange transactions						
Transfer revenue levies	118,365,297		118,365,297	115,401,407	(2,963,890)	Note 29
Total revenue	119,482,480		119,482,480	116,341,593	(3,140,887)	
EXPENDITURE						
Personnel Cost	(65,307,458)	-	(65,307,458)	(68,368,031)	(3,060,573)	Note 29
Legal Expenses	(836,958)	-	(836,958)	(684,673)	152,285	
Depreciation and amortisation	(3,159,424)	-	(3,159,424)	(7,820,812)	(4,661,388)	Note 29
Auditor's remuneration - External	(1,801,678)	-	(1,801,678)	(2,031,435)	(229,757)	
Lease rentals on operating lease	(9,673,589)	-	(9,673,589)	(8,062,772)	1,610,817	Note 29
Auditor's remuneration - internal	(717,952)	-	(717,952)	(468,637)	249,315	
Consulting and professional fees	(2,019,977)	-	(2,019,977)	(1,685,902)	334,075	Note 29
IT Maintenance and Support	(9,770,752)	-	(9,770,752)	(9,591,189)	179,563	
Other operating costs	(12,390,981)	-	(12,390,981)	(13,851,929)	(1,460,948)	Note 29
Total expenditure	(105,678,769)	-	(105,678,769)	(112,565,380)	(6,886,611)	
Operating surplus	13,803,711	-	13,803,711	3,776,213	(10,027,498)	
Intangible Assets	(1,100,000)	-	(1,100,000)	(2,440,230)	(1,340,230)	
Property, Plant and Equipment	(5,950,085)		(5,950,085)	(11,782,368)	(5,832,283)	
Reconciliation for PPE and intangible assets			-	14,222,598	14,222,598	
Allowable reserves	(5,636,443)		(5,636,443)		5,636,443	

STATEMENT OF FINANCIAL PERFORMANCE	Approved budget	Adjust- ments	Final Budget	Actual amounts on compara- ble basis	Difference between final budget and actual	Reference
	R	R	R	R	R	R
Interest received	(1,117,183)		(1,117,183)		1,117,183	
	(13,803,711)	-	(13,803,711)		(13,803,711)	
Surplus before taxation				3,776,213	3,776,213	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement				3,776,213	3,776,213	

The basis for the explanation on the statement of comparison of Budget and Actual Amounts on note 29 is based on the approved materiality framework,

SIGNIFICANT ACCOUNTING POLICIES

AS AT 31 MARCH 2025

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

Basis of accounting

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 89 of the PFMA.

These annual financial statements have been prepared on the 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.

1.2 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. The accounting authority and management are of the view that there is no economic threats that will significantly impact the operations of the OPFA and the cash reserves currently available will provide a buffer to ensure the entity meets its short-term commitments as they fall due. The approval of the base budget for the OPFA after the transition and implementation of the FSR Act, changes in the Pension Funds Act and the promulgation of Financial Sector and Deposit Insurance Levies Act 11 of 2022 has strengthened and positively impacted the mandate of the OPFA and its going concern.

1.3 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 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.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, furthermore, the entity considers its materiality significance framework to objectively determine what to present and disclose in the financial statements.

1.4 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment testing of receivables from exchange and non-exchange transactions

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

The impairment for receivables from exchange and non-exchange transactions is calculated individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), an entity includes assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Impairment testing for non-financial assets

The OPFA has judged all non-financial assets to be non-cash generating based on the entity's objective of using these assets to deliver a service and rather than generate a commercial return. The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amount is the higher of fair value less costs to sell and value in use. These calculations require the use of estimates and assumptions.

Useful lives and residual values of intangible assets

The OPFA reassesses the useful lives and residual values of intangible assets on an annual basis. In reassessing the useful lives and residual values of intangible assets, management considers the condition and the use of the individual assets to determine the remaining period over which the asset can and will be used. The change is accounted for as a change in accounting estimate. Refer to accounting policy on Intangible Asset.

Useful lives and residual values of property, plant and equipment

The OPFA reassesses at each reporting date whether there is any indication that entity expectations about the residual values and the useful lives of its property, plant and equipment have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change accounted for as a change in accounting estimate.

Management had planned to replace the signage in anticipation of the promulgation of the COFI Bill, which requires the organisation's name to be changed to Retirement Fund Ombud. However, the COFI development process was still underway at the end of the financial year. As a result, the signage's useful life was reassessed, even though the overall amendment is considered immaterial.

When making a judgment on fully depreciated assets still being used by the entity, management considers whether the principles of GRAP standards on property, plant and equipment were appropriately applied, whether all relevant facts and circumstances were considered in determining the useful lives of the assets in prior years and the material impact of adjustments on the entity's financial statements. If the transactions are material, management adjusts the financial statements.

Amortisation of an intangible asset implemented in phases

Amortisation of intangible assets commences when it is available for use and in a condition as set out by management, and it is written down on a straight-line basis over its useful life. For the year under review, the OPFA continued with the implementation of an ERP system (Finance and SCM components), which was commenced in the prior year. The initial costs incurred has been capitalised, and as the system is now considered available for use, depreciation has commenced.

Business model assessment

The OPFA classifies and measures financial assets based on its business model for managing those

assets and the contractual cash flow characteristics, including whether they meet the solely payments of principal and interest (SPPI) test, in line with GRAP 104. The business model is assessed at a portfolio level, taking into account how asset performance is evaluated, the risks affecting performance, how those risks are managed, and how managers are compensated. The OPFA also monitors written-off or derecognised assets measured at amortised cost to assess recovery patterns and the continued appropriateness of the business model. Where that model changes, asset classification is adjusted prospectively.

Models and assumptions used

The OPFA uses a range of assumptions and professional judgement to measure the fair value of assets and estimate expected credit losses. These assumptions underpin the selection of appropriate valuation models, the use of reputable rating agencies (such as S&P), and the identification of key credit risk drivers.

Impairment - expected credit losses (ECL)

Key assumptions in determining the impairment of financial assets:

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECLs.

Forward-looking information, including macro-economic conditions and specific event risks are considered, where relevant, in assessing the bank's or debtor's ability to settle the outstanding amount when required.

Financial materiality and significance of the value of the financial asset and/or the value of the expected credit loss.

Receivables from exchanges reported in the current year were trivial and immaterial. Consequently, the related possible ECL was not determined, as it was immaterial, and the exercise would not have been cost-effective.

Cash and cash equivalents were material for the year under review. However, the ECL assessment conducted indicated that the probability of default by OPFA's bankers was very low. As a result, the ECL amount was immaterial.

1.5 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 in more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment

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

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

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.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Useful life
Plant and machinery	Straight-line	10 to 20 years
Furniture and fixtures	Straight-line	5 to 15 years
Motor vehicles	Straight-line	5 to 7 years
Office equipment	Straight-line	3 to 15 years
IT equipment	Straight-line	3 to 15 years
Library books	Straight-line	4 to 8 years
Leasehold improvements	Straight-line	Lease period
Signage	Straight-line	Lease period

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 entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value

accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

1.6 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 entity or from other rights and obligations.

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

An intangible asset is recognised when:

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

The entity 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.

Embedded software which controls the functions of hardware equipment is recognised as part of the cost of the hardware.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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.

For the year under review, the OPFA continued with the implementation of an ERP system (Finance and SCM components) which is still in progress at year end as there's one component that is incomplete.

The initial costs incurred has been capitalised and depreciation commenced as the major parts of the system are already in use.

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

Item	Depreciation method	Useful life
Computer software	Straight-line	3 to 5 years

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 (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 FINANCIAL INSTRUMENTS

Applied from 1 April 2025, being the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive.

Initial Recognition

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

The entity recognises financial assets using trade date accounting.

Classification

Classification of Financial Assets

A financial asset is measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification of Financial Liabilities

The entity classifies all financial liabilities i.e payables from exchange transactions, excluding Accrued leave pay and operating lease liabilities, as subsequently measured at amortised cost.

Measurement

Initial measurement

The OPFA measures receivables from transactions, other financial assets and payables from exchange transactions at their transaction price, as initial credit period granted or received of 30 days or less, consistent with the terms applicable in the public sector.

All other financial assets and liabilities subsequently measured at amortised cost, the entity initially measures these at their fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets

The entity applies the impairment requirements to financial assets that are measured at amortised cost.

Subsequent measurement of financial liabilities

After initial recognition, the entity measures a financial liability in accordance with the section on "Classification of Financial Liabilities".

Amortised cost measurement

Financial assets

Write-off

financial asset in its entirety or a portion thereof. Upon write-off, the entity directly reduces the gross carrying amount by the approved amount for write-off, the

loss allowance is reduced by the portion previously recognised for that specific asset, and any remaining difference between the gross carrying amount written off and the reduction in the loss allowance is recognised immediately in surplus or deficit. A total write-off constitutes a derecognition event.

Write-offs are executed upon approval by the Accounting Authority or its duly delegated structure or official.

The write-off of a financial asset does not necessarily extinguish the entity's right to recover the debt, any subsequent recoveries of amounts previously written off are recognised in surplus or deficit in the period in which they are recovered or received.

Impairment

Recognition of expected credit losses

General approach

The entity applies the general approach and recognises a loss allowance for expected credit losses on cash and cash equivalents and other financial assets.

Except for credit-impaired financial assets, at each reporting date, an entity measures the loss allowance for a financial instruments at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition.

When the credit risk is low, the ECL is measured at the 12-month ECL.

Except for credit-impaired financial assets, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

At each reporting date, the entity recognises in surplus or deficit, an impairment gain or loss, the amount required to adjust the loss allowance to its required balance. This gain or loss is measured as the difference between the existing loss allowance

balance and the amount determined at the reporting date, in accordance with the expected credit loss model.

Credit risk

The entity assesses whether the credit risk on cash and cash equivalents, and other financial assets has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date with the risk of default at the date of initial recognition. This assessment is based on all reasonable and supportive information that is available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the entity's historical loss experience and informed credit assessment, which includes forward-looking information.

Simplified approach for receivables

The entity applies the simplified approach and recognises a loss allowance for expected credit losses, where applicable, on receivables from exchange transactions. The entity measures the loss allowance at an amount equal to lifetime expected credit losses.

Measurement of expected credit losses

The entity measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition

Derecognition of financial assets

The entity derecognises a financial asset only when:

- (a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- (b) the carrying amount of the transferred asset are allocated between the rights and/or obligations retained and those transferred on the basis of

their relative fair values at the transfer date. newly created rights and obligations are measured at their fair values at that date.

Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph is recognised in surplus or deficit in the period of the transfer.

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

1.8 FINANCIAL INSTRUMENTS - GRAP 104 (PREVIOUS POLICY APPLIED IN COMPARATIVE PERIOD)

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at amortised cost which comprise of receivables from exchange and non-exchange transactions and cash and cash equivalents.
- Financial liabilities measured at amortised cost which comprise of trade and other payables from exchange transactions.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis and financial assets designated as at fair value through surplus or deficit.

Initial recognition and subsequent measurement

Financial instruments are recognised initially at fair value when the OPFA becomes a party to the contractual provisions of the instruments plus transaction cost.

The OPFA classifies financial instruments, or their component parts, on initial recognition as a financial asset or a financial liability in accordance with the substance of the contractual arrangement.

Receivables from exchange and non-exchange transactions

These financial assets at amortised cost are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks and other short-term deposit or highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost.

Trade and other payables from exchange transactions
These financial liabilities are recognised at amortised cost and are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the OPFA assesses all financial assets, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the

impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Trade receivables and payables are subject to a 30-day collection or payment terms, which is consistent with the terms used in the public sector. Short-term receivables and payables are consequently not discounted and any time value of money is considered immaterial.

Derecognition of financial assets

An entity shall derecognise a financial asset only when:

- a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity shall:

- i. derecognise the asset; and
- ii. recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph shall be recognised in surplus or deficit in the period of the transfer

1.9 STATUTORY RECEIVABLES

Identification

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

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

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

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

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

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

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

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

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

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

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect

of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

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

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights

and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

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.

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

Operating leases - lessee

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

The operating lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The operating lease assets are derecognised when the entity no longer anticipates economic benefits or service potential to flow from the asset.

Operating Leases - Incentives

The lessee shall recognise the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.11 EMPLOYEE BENEFITS

Identification Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses,

and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Retirement benefits

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

Incentive scheme

Incentive Scheme is the expected cost of bonus payments that is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. A liability is recognised for the amount expected to be paid to employees and the obligation can be estimated reliably. A provision for incentive scheme is raised on the estimated amount payable in terms of the performance bonus which is based on the business and employee's performance for the respective performance cycle.

Long service award

Long service may be recognised by way of granting awards, which is solely at the discretion of the Adjudicator. The amount granted is determined on annual basis and the OPFA waivers/funds any taxation on it.

1.12 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

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

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 entity 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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised

Contingent liabilities

- (a) Possible obligations arising from past events, where the existence will be confirmed only by the occurrence or non occurrence of uncertain future events not wholly within the entity's control; or
- (b) Present obligations arising from past events for which it is not probable that an outflow of resources embodying economic benefits or service potential will be required, or for which the amount cannot be reliably measured.

Contingent assets

- (a) are possible assets arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of uncertain future events not wholly within the entity's control.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

1.13 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash, both for capital and general expenditure.

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between

knowledgeable, willing parties in an arm's length transaction.

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and

- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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

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

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

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

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from

another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

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

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

Revenue is recognised when the asset is recognised and if an obligation arises from the receipt of the asset, the revenue is recognised to the extent that there is no further obligation. Revenue from non exchange transactions comprises of levies, penalties and other income. All registered pension funds are required to pay annual levies to fund the operations of the OPFA according to section 30R of the Pension Funds Act. Levies are raised in terms of the regulations published in the Government Gazette and are accounted for on an accrual basis.

The OPFA is funded in terms of section 30R of the Pension Funds Act by imposing levies on the pension

funds industry as detailed in the Levies Act. The Levies Act still imposes the responsibility for collecting levy amounts on the FSCA and allocating to the OPFA the amount determined in accordance with the Act. Debtors with levies outstanding beyond the prescribed period are charged interest based on s244 of FSR Act, which is recognised as non-exchange revenue.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Services in-kind

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

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period. Services in kind provided by the FSCA to the OPFA are not reliably measurable and/or material.

1.16 ACCOUNTING BY PRINCIPALS AND AGENTS

Identification

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

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

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

Identifying whether an entity is a principal or agent

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

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.

- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

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

The OPFA is a party to a principal-agent arrangement with the FSCA, in which the OPFA is the principal.

The FSCA is responsible for the collection and administration of pension fund levies in terms of Financial Sector and Deposit Insurance Levies Administration Act on behalf of the Office of the Pension Funds Adjudicator.

The OPFA recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.17 COMPARATIVE FIGURES

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

1.18 BUDGET INFORMATION

The approved budget is prepared on a modified cash basis and presented by economic classification.

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

The annual financial statements and the budget are not on the same basis of accounting and a comparison

with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.19 RELATED PARTIES

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

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

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

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

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

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

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

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

operating parameters established by that reporting entity's legal mandate.

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

1.20 SERVICE CONCESSION ARRANGEMENTS: ENTITY AS GRANTOR

1.21 PREPAYMENTS

Prepayments are payments made in advance for services or goods that have not been delivered for which the OPFA expects delivery in the next financial period.

Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

1.22 ROUNDING OFF

All figures in the financial statements were rounded off to the nearest rand.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. CHANGES IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Financial Instruments (GRAP 104, revised 2019)

Impact on the financial statements

Transitional provision for initial adoption of GRAP 104

GRAP 104 Initial adoption 2026

GRAP 104 initial adoption reconciliation	Original measurement category	New measurement category	Carrying amount - 31 March 2025	Carrying amount - 1 April 2025 revised GRAP 104
Cash and cash equivalents	Amortised Cost	Amortised Cost	53,216,461	53,216,461
Study Assistance	Amortised Cost	Amortised Cost	773,389	773,389
			53,989,850	53,989,850

DISCLOSURES FOR MODIFIED TIME VALUE OF MONEY AND PREPAYMENT FEATURES 2026

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2026 is as follows:

3. NEW STANDARDS AND INTERPRETATIONS

3.1 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 107 (as revised) Mergers	TBC	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	TBC	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	TBC	Unlikely there will be a material impact

GRAP 2023 Improvements to the Standards of GRAP 2023	TBC	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	TBC	Unlikely there will be a material impact
GRAP 103 (amended): Heritage Assets	TBC	Unlikely there will be a material impact

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2026 R	2025 R
Bank balances	25,172,386	49,867,007
Short-term deposits	29,204,260	3,292,995
Standard bank - Payroll Account	25,191	56,459
	54,401,837	53,216,461

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Other receivables

Study assistance	1,155,973	773,389
Employee Debt	4,203	
Total receivables from exchange transactions	1,160,176	773,389

6. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Statutory receivables	191,831	1,001,510
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Split between current and non-current portions

Split between financial instruments and non-financial instruments

Statutory receivables	191,831	1,001,510
Carrying amount of non-financial instruments	191,831	1,001,510
Total split between financial instruments and non-financial instruments	191,831	1,001,510

Reconciliation for allowance for impairment for statutory receivables

Statutory receivables general information

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2026, 191,831 (2025: 1 001 510) were past due but not impaired.

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

	2026 R	2025 R
3 months past due- Levies Debtor	191,831	1,001,510

Reconciliation for allowance for impairment for statutory receivables

Opening balance	3,300	28,005
Additions	338,343	-
Provision utilised/Write-off	(3,300)	(25,490)
Change to the statement of financial performance	-	785
	338,343	3,300

Statutory receivables from non-exchange transactions

The OPFA is funded in accordance with Section 30R of the Pension Funds Act through levies imposed on the pension fund industry. The levy amount is determined by calculating the total number of pension fund members and applying the approved levy rate for the financial year under review. Interest is charged on any outstanding levy balances after 30 days, with the prime rate used as the basis for calculating such interest. Non-exchange statutory receivables arise from levies that have been invoiced but remain unpaid as at the reporting date.

7. PREPAYMENTS

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

Prepayments

Subscriptions	192,862	173,898
Computer Licenses	1,923,304	1,831,523
Licenses	309	309
Computer Support	-	337,022
Membership fees	46,206	38,286
Car tracking Services	626	772
Rental	731,185	556,232
Professional fees	332,350	-
	3,226,842	2,938,042

8. PROPERTY, PLANT AND EQUIPMENT

	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold property	9,342,496	(1,346,863)	7,995,633	10,111,822	(6,818,469)	3,293,353
Plant and machinery	276,849	(181,105)	95,744	276,849	(167,262)	109,587
Furniture and fixtures	5,825,962	(557,739)	5,268,223	3,585,660	(1,468,453)	2,117,207
Motor vehicles	692,597	(184,415)	508,182	692,597	(121,187)	571,410
Office equipment	957,778	(187,953)	769,825	646,669	(191,894)	454,775
IT equipment	21,550,138	(16,753,874)	4,796,264	20,357,921	(12,558,467)	7,799,454
Library Books	32,882	(27,373)	5,509	34,769	(24,925)	9,844
Signage	86,361	(46,548)	39,813	39,877	(39,823)	54
Paintings & Sculptures	46,919	(1,098)	45,821	-	-	-
Total	38,811,982	(19,286,968)	19,525,014	35,746,164	(21,390,480)	14,355,684

Reconciliation of property, plant and equipment - 2026

	Opening Balance	Additions	Disposals/ scrapped	Depreciation	Total
Leasehold property	3,293,353	6,163,542	(90,561)	(1,370,701)	7,995,633
Plant and machinery	109,587	-	-	(13,843)	95,744
Furniture and fixtures	2,117,207	3,726,398	(173,802)	(401,580)	5,268,223
Motor vehicles	571,410	-	-	(63,228)	508,182
Office equipment	454,775	456,761	(4,189)	(137,522)	769,825
IT equipment	7,799,454	1,342,764	(118,798)	(4,227,156)	4,796,264
Library books	9,844	-	-	(4,335)	5,509
Signage	54	46,484	-	(6,725)	39,813
Paintings & Sculptures	-	46,919	-	(1,098)	45,821
Total	14,355,684	11,782,868	(387,350)	(6,226,188)	19,525,014

Reconciliation of property, plant and equipment - 2025

	Opening Balance	Additions	Disposals/ scrapped	Depreciation	Total
Leasehold property	43,336	3,289,265	-	(39,248)	3,293,353
Plant and machinery	123,429	-	-	(13,842)	109,587
Furniture and fixtures	449,752	1,822,003	(4,446)	(150,102)	2,117,207
Motor vehicles	634,638	-	-	(63,228)	571,410
Office equipment	42,794	431,593	(3)	(19,609)	454,775
IT equipment	10,129,185	1,654,528	(1,622)	(3,982,637)	7,799,454
Library Books	15,142	-	(251)	(5,047)	9,844
Signage	81	-	(1)	(26)	54
Total	11,438,357	7,197,389	(6,323)	(4,273,739)	14,355,684

Pledged as security: No Property, Plant and Equipment is pledged as security

9. INTANGIBLE ASSETS

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer Software	8,104,377	(3,316,451)	4,787,926	7,817,241	(3,747,422)	4,069,819

Reconciliation of intangible assets - 2026

	Opening Balance	Additions	Disposals/scrapped	Depreciation	Total
Computer Software	4,069,819	2,440,230	(127,500)	(1,594,623)	4,787,926

Reconciliation of intangible assets - 2025

	Opening Balance	Additions	Disposals/Scrapped	Amortisation	Total
Computer Software	1,996,040	2,666,596	(20,902)	(571,915)	4,069,819

Pledged as security

No intangible assets are pledged as security:

10. PAYABLES FROM EXCHANGE TRANSACTIONS

	2026 R	2025 R
Trade payables	1,469,185	1,044,072
Sundry payables	1,098,699	365,586
PAYE payable	-	1,079,146
Operating lease accrual	1,476,314	-
Accrued leave pay	2,045,627	2,163,338
	6,089,825	4,652,142

11. PROVISIONS

Reconciliation of provisions - 2026

	Opening Balance	Additions	Utilised	Total
Provision for Incentive Scheme	3,099,452	4,000,963	(3,099,452)	4,000,963

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised	Total
Provision for Incentive Scheme	2,629,000	3,099,452	(2,629,000)	3,099,452

Non-current liabilities	-	-
Current liabilities	4,000,963	3,099,452
	4,000,963	3,099,452

The Incentive Scheme is a short-term employee benefit that is recognised as an expense when it is probable that performance bonuses will be paid. A provision is made for performance incentives relating to the year under review, which are payable to employees at the end of July once approved.

12. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2026 R	2025 R
Payable	823,321	

The payables from non-exchange is as a results of cash advances that were received from the FSCA which were not yet settled by year end.

13. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Interest from non-exchange transactions - Levies

115,401,407	120,516,107
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14. TOTAL REVENUE

Revenue

Interest received	911,265	1,301,453
Revenue from non-exchange transactions - Levies	115,401,407	120,516,107
Interest from non-exchange transactions - Levies	28,920	13,057
	116,341,592	121,830,617

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

Interest received	911,265	1,301,453
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The amount included in revenue arising from non-exchange transactions is as follows:

Revenue

Revenue from non-exchange transactions - Levies	115,401,407	120,516,107
Interest from non-exchange transactions - Levies	28,920	13,057
	115,430,327	120,529,164

15. DEPRECIATION AND AMORTISATION

Property, plant and equipment	6,226,188	4,273,739
Intangible assets	1,594,623	571,915
	7,820,811	4,845,654

16. LEASE RENTALS ON OPERATING LEASE

Premises

Property, plant and equipment	7,655,054	4,486,669
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Equipment

Intangible assets	407,718	400,247
	8,062,772	4,886,916

17. OTHER OPERATING COSTS

	2026 R	2025 R
Advertising and recruitment	376,158	473,645
Bank charges	60,042	65,823
Bad debts	346,553	1,659
Building services	173,170	122,993
Car track	2,651	2,260
Cellphone expenses	174,802	124,595
Cleaning	61,296	99,932
Conferences- Local	249,451	130,317
Consumables	700,092	539,293
Courier Services	6,717	34,829
Electricity and water	1,727,119	962,047
Flowers and gifts	26,400	18,238
Foreign exchange loss	802	74
Foreign travel & accommodation	401,455	264,794
Fuel, parking, mileage, toll fees and car wash	85,720	98,392
Gain or/(loss) on sale of assets	305,898	19,063
Insurance	821,045	736,704
Internet expenses	1,222,045	616,081
Library expenses	-	22,120
Licenses	1,855	1,855
Membership fees	90,856	48,079
Off-site storage	447,664	387,196
Office plants	-	54,000
Postage	73,272	156,699
Printing	125,431	87,482
Printing and stationery	535,268	678,985
Promotions	548,658	7,800
Publications and newspapers	79,928	60,972
Rates and taxes	1,319,569	873,894
Refuse and sewerage	54,008	47,184
Repairs and maintenance	411,764	83,769
Staff welfare	277,000	219,141
Stakeholder engagement	201,735	69,430
Strategic planning and workshop	5,011	189,220
Study assistance	203,079	430,328
Subscriptions	322,232	234,179
Telephone	44,330	449,052
Training and workshop	1,611,425	520,447
Travel and accommodation-local	757,426	577,107
	13,851,927	9,509,678

18. PERSONNEL COSTS

	2026 R	2025 R
Salaries	54,631,504	47,915,842
Executive Medicals	7,461	375
Incentive scheme	2,678,934	2,243,821
Retirement annuity and pension fund contributions	5,309,596	4,683,551
UIF	162,083	155,557
SDL	572,421	501,226
Leave Commutation	1,869,358	1,529,645
Workmen's Compensation	113,909	69,065
Leave Liability adjustment	(117,712)	(78,598)
Employee group scheme	865,528	773,667
Employee assistance program	177,876	231,218
Long-service awards	231,957	79,890
Employee personal bonus provision	21,328	-
Acting allowances	20,987	-
Provision Incentive Scheme - Movement	901,511	470,452
	67,446,741	58,575,711

Remuneration of non-executive directors

Committee fees	795,048	916,156
Other	126,242	394,719
	68,368,031	59,886,586

19. CASH GENERATED FROM OPERATIONS

Surplus	3,776,213	23,246,390
Adjustments for:		
Depreciation and amortisation	7,820,812	4,845,654
Movements in provisions	901,510	470,452
Gain/loss from sale of assets and liabilities	305,898	19,063
Other non-cash items	(521,441)	-
Changes in working capital:		
Receivables from exchange transactions	(386,787)	164,685
Statutory Receivables	809,679	(975,680)
Prepayments	(288,801)	758,372
Payables from exchange transactions	1,437,683	401,663
Payables from non-exchange transactions	823,321	-
	14,678,087	28,930,601

20. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND OTHER DISCLOSURES

Nature and extent of risks arising from financial instruments Financial

Risk Factors- Qualitative & Quantitative disclosures

Overview

The OPFA is exposed to a variety of financial risks as a consequence of its operations namely, market risk, credit risk and liquidity risk. The OPFA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its performance. Financial risk management is carried out under approved policies. The OPFA provides written principles for overall risk management as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity risks.

Credit risk

Credit risk exposure

Credit risk is the risk of financial loss due to the counterparty failing to meet the contractual obligations or, in the case of statutory receivables, amounts not being recovered in accordance with the applicable or regulations.

Financial assets that potentially subject the OPFA to concentrations of credit risk consist primarily of cash and cash equivalents as well as accounts receivable. The OPFA's maximum exposure to credit risk relating to accounts receivables is part of the amount included in the receivables from exchange transactions shown in the Statement of Financial Position.

The OPFA invests funds in excess of the OPFAs immediate requirements (i.e short-term deposits excluding current account balances) with the Corporation for Public Deposits (CPD).

The credit risk management practice

The OPFA has formalised procedures in place to collect or recover amounts receivable. In the event of default, legal action procedures can be taken to collect due for collection. Full Impairment is made for non-recoverability as soon as management is uncertain as to the recovery

Credit Risk Ratings

The key variables in the OPFA's quantitative assessment of expected loss are:

- Probability of default (PD) - which measures the likelihood that the debtor will not pay its amount due.
- Exposure of default (EAD) - size of exposure being the outstanding debt balance.
- Loss given default (LGD) - which measures the expected loss not to be recovered if default occurs.

Expected credit losses

For financial assets measured at amortised cost within the scope of GRAP 104, the OPFA applies a combination of the simplified and general approaches depending on the nature of the underlying receivable which requires losses to be recognised from the initial recognition of the receivables as generally they do not contain a significant financing component.

Under this approach lifetime expected credit losses that result from all possible default events over the expected life of the financial assets are recognised.

Expected credit losses are assessed at each reporting date by considering:

- historical default experience;
- current repayment performance;
- the financial position of counterparties;
- the employment status of employee borrowers;
- available recovery mechanisms;
- forward-looking information; and
- other relevant factors affecting recoverability.

The OPFA uses the historically observed default rates (actual write-off) over the expected life of the financial assets adjusted as necessary to reflect current conditions to calculate the default rate. Adjustments are made for forward looking information based on economic conditions such as the macro-economic factors that might impact on the debtors ability to settle the amount outstanding. The default rates calculated are adjusted for these economic condition.

There has been no change in the exposure and the management of credit risk in the current period. The following table sets out the maximum exposure per class of financial asset.

Credit risk exposure

Financial instruments within the scope of GRAP 104 (revised 2019)

Credit exposure per class of financial instruments within the scope of GRAP 104 -2026

Credit exposure per class of financial instruments	2026			2025		
	Carrying amount exposed to credit risk	Maximum exposure to credit risk	Collateral held as security	Carrying amount exposed to credit risk	Maximum exposure to credit risk	Collateral held as security
Cash and cash equivalents	54,401,837	54,401,837	-	53,216,460	53,216,460	-
Other receivables	17,034	17,034	-	-	-	-
Total	54,418,871	54,418,871		53,216,460	53,216,460	-

The OPFA's maximum exposure to credit risk relating to statutory receivables are the amounts as disclosed in note 6.

Cash and cash equivalents

The OPFA held cash and cash equivalents of R54 401 837 at 31 March 2026 (2025: R53 216 460). The cash and cash equivalents are held with financial institution counterparties that are rated at least zaA1+, based on a national scale credit rating there the probability of default is considered insignificant.

Other receivables

Other receivables were considered immaterial and were paid within 30 days after year.

Liquidity risk

The OPFA's liquidity risk stems from the funds available to cover future commitments as they fall due. considering the entity's current funding structures and available cash resources, the entity considers the risk as low.

The entity manages liquidity risk through an ongoing review of future commitments and cash flow projections.

The table below analyses the entity's financial liabilities into relevant maturity groupings on the remaining period at the statement of financial position to 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.

The table below analysis the OPFA's financial liabilities at reporting date

2026

Current liabilities

Payables from exchange transactions

2026	2025
R	R
2,567,88	2,567,884

2025

Current liabilities

Payables from exchange transactions

1,409,658	1,409,658
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Employee-related accruals, statutory liabilities and non-financial liabilities have been excluded from the maturity analysis. The maturity analysis also excludes non-cash obligations and liabilities not classified as financial liabilities in terms of GRAP 104.

Market risk Sensitivity analysis Interest rate risk

The entity's exposure to interest risk is managed by investing, on a short-term basis, in the CPD, to ensure maximum interest on surplus funds within the prescribed legislation. The risk arises when there are interest rate changes downward, as this will reduce the interest income on invested funds. the entity manages its interest rate risk by only investing its funds in accounts at financial institutions wherein the accounts accrue interest at market related interest rates. In terms on National Treasury Regulation (section 31.3.3), all surplus funds are to be deposited in the call account-CPD.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Variable rate instruments:

Assets

Cash and cash equivalents

Average effective	Average effective
2026	2025
7 %	29,204,260

Interest rate sensitivity analysis

The OPFA's exposure to interest risk is managed by investing, on a short-term basis, in the CPD, to ensure maximum interest on surplus funds within the prescribed legislation. The risk arises when there are interest rate changes downward, as this will reduce the interest income on invested funds. The entity manages its interest rate risk by only investing its funds in accounts at financial institutions wherein the accounts accrue interest at market related interest rates. In terms of National Treasury Regulation (section 31.3.3), all surplus funds are to be deposited in the call account-CPD.

The office is exposed to interest rate changes in respect of returns on its investments with financial institutions.

The gross CPD balance on 31 March 2026 was R29,204,260 and the OPFA earned an average interest of 7%. The interest income is aligned with the repo rate and thus fluctuations in the repo rate directly impacts the interest earned.

21. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment
- Intangible assets

2026 R	2025 R
17,138,820	1,113,961
360,551	577,368
17,499,371	1,691,329

Total capital commitments

- Property, plant and equipment

17,499,371	1,691,329
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Authorised operational expenditure

Already contracted for but not provided for

- Operational expenditure

1,622,089	1,605,464
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Total operational commitments

Already contracted for but not provided for

1,622,089	1,605,464
-----------	-----------

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year
- in second to fifth year inclusive

7,113,566	6,385,269
24,521,065	31,873,241
31,634,631	38,258,510

Operating lease payments represent rentals payable by the entity for its office premises and photocopy machines. The lease for office premises commenced on 1 April 2025 has been entered into for a 5 years period. The net consideration of the lease over the lease period is R38 257 493, after deducting the lease incentive of R577 371. Leases for photocopy machines are negotiated for an average term of at least three years. No contingent rent is payable.

22. CONTINGENCIES

Contingent Liabilities

Executive Incentive

Bonuses

The proposed performance incentives for the former Pension Funds Adjudicator for the 2024/25 financial year, and for the Deputy Pension Funds Adjudicator for the 2024/25 and 2025/26 financial years, are still awaiting approval from the Minister of Finance. The total value of the contingent liability is R1 332 658. These amounts are classified as contingent liabilities because the Minister did not approve the proposed performance incentives for the Pension Funds Adjudicator and Deputy Pension Funds Adjudicator for the 2023/24 financial year.

Surrender of surpluses

The entity 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 entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

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

- (a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or
- (b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA.

The surpluses are surrendered for re-depositing into the relevant Revenue by no later than 30 November of each year, as prescribed.

Failure by the entity to submit a surplus retention request to the relevant Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit.

In the case of a delay in the finalisation of the audit –

- (a) a letter is sent to the relevant Treasury by the 30th September explaining the delay.
- (b) a surplus retention request is submitted to the relevant Treasury within 30 days of finalising the audit.

However, section 30R (5) of the Pension Funds Act states that "Any money standing to the credit of the Adjudicator in the account referred to in subsection (3) at the close of the financial year as well as money which has been invested in terms of subsection (4), shall be carried forward to the next financial year."

In addition, section 239(3) of the FSR Act states that "An estimate of expenditure for a financial year may include provision for one or more reserves but the total accumulated reserves included in the estimate of expenditure may not exceed 15 of the total estimated expenditure excluding the reserves."

23. RELATED PARTIES

Relationships

Schedule 3A Public Entity and under common control of the National Treasury

Related party balances

Shared services costs incurred

	2026	2025
	R	R
Financial Sector Conduct Authority	1,599,642	5,048,471

The OPFA shares ICT services, such as IT support and maintainance, and End user computing services, with the FSCA.

Amounts included in Payables

FSCA Payable	823,421	-
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The FSCA provided cash advances to the OPFA during the financial year to cover operational cost while the funding approval and collection was underway. The payable is as a result of a shortfall in levy collection than was expected.

Remuneration of management

Management class: Non-executive committee members

2026

Name	Committee fees	Other remuneration received	Total
T Ajam	66,759	12,932	79,691
V Balgobind	72,743	6,466	79,209
N Esterhuizen	73,281	12,932	86,213
P Mokgobu	111,539	35,718	147,257
L Molebatsi	71,126	6,466	77,592
D Msomi (Term ended- 30 June 2025)	14,872	-	14,872
P Mvulane (Term ended- 30 June 2025)	9,699	-	9,699
TL Randall	109,922	6,466	116,388
S Hamdulay (Term ended- 30 June 2025)	11,316	-	11,316
L Ntuane	45,262	6,466	51,728
V Pangwa (Term ended- 30 June 2025)	6,466	-	6,466
P Maluleke	42,029	12,932	54,961
N Baloyi	42,029	12,932	54,961
V Joseph (Term ended- 30 June 2025)	6,466	-	6,466
F Raseote	38,796	6,466	45,262
K Mufuoa (Term ended- 30 June 2025)	11,316	-	11,316
T Kharametsane	61,427	6,466	67,893
	795,048	126,242	921,290

2025

	Committee fees	Other remuneration received	Total
T Ajam	75,738	-	75,738
V Balgobind	92,141	32,330	124,471
N Esterhuizen	80,609	-	80,609
P Mokgobu	96,990	32,485	129,475
L Molebatsi	72,742	-	72,742
D Msomi	70,641	329,904	400,545
P Mvulane	39,335	-	39,335
TL Randall	72,742	-	72,742
S Hamdulay	48,495	-	48,495
L Senne (Resigned-November 2024)	30,714	-	30,714
P Sutherland	16,165	-	16,165
K Mofoua	48,495	-	48,495
T Kgarametsane	72,743	-	72,743
V Barthus	29,097	-	29,097
A Ntuane	29,097	-	29,097
V Pangwa	29,097	-	29,097
J Mogadime (Retired- 30 June 2024)	11,315	-	11,315
Total	916,156	394,719	1,310,875

Other remuneration received relate to adhoc services that the governance committee members rendered to the OPFA including performance management for the executives, strategy session facilitation, interviews and similar engagements.

Management class: Executive management

2026

Name	Emoluments	Incentive bonus	Post-employment	Commutation	Total
LP Mogashoa, PFA (Appointed 08 December 2026)	989,456	-	113,750	-	1,103,206
M Lukhaimane, PFA (Contract expired: 07 December 2025)* N Essop, DPFA	2,823,204	-	239,011	588,838	3,651,053
B Makunga, EHCS & CFO	2,721,835	445,638	291,456	115,488	3,574,417
L Jadoonandan	1,673,562	125,777	-	-	1,799,339
LL Rabotapi, SAA-Team Leader	1,489,300	-	159,700	-	1,649,000
S Mothupi, SAA-Team Leader	1,865,171	141,409	142,115	75,766	2,224,461
NG Kutama, SAA-Team Leader	1,627,585	-	173,889	60,394	1,861,868
W Groenewald, NCUS	1,239,443	-	-	47,081	1,286,524
NP Ntshangase, SLA	1,361,106	-	145,320	62,666	1,569,092
C Manenzhe, ITSM	1,734,442	124,911	185,245	-	2,044,598
TP Mankga (Appointed 01 October 2025)	646,594	-	69,414	-	716,008
Ms KE Molepo (Appointed 01 August 2025)	924,975	-	99,928	-	1,024,903
	21,226,160	837,735	1,845,763	1,038,526	24,948,184

2025

Name	Emoluments	Incentive bonus	Post-employment benefits	Commutation	Total
M Lukhaimane, PFA	3,252,701	-	348,174	211,559	3,812,434
N Essop, DPFA	2,060,588	-	217,965	101,877	2,380,430
B Makunga, EHCS & CFO	2,549,814	408,000	272,660	111,858	3,342,332
L Jadoonandan, ER	1,604,351	124,956	-	-	1,729,307
LL Rabotapi, SAA-Team Leader	1,421,330	-	153,239	-	1,574,569
S Mothupi, SAA-Team Leader	1,775,952	-	136,197	43,502	1,955,651
NG Kutama, SAA-Team Leader	1,549,976	140,067	166,648	67,747	1,924,438
W Groenewald, NCUS	1,188,405	105,175	-	40,548	1,334,128
NP Ntshangase, SLA	1,207,667	-	129,923	-	1,337,590
C Manenzhe, ITSM	1,387,386	-	148,272	-	1,535,658
PT Sithole, HHC (Resigned -07 June 2024)	290,333	-	-	85,266	375,599
	18,288,503	778,198	1,573,078	662,357	21,302,136

PFA – Pension Funds Adjudicator

DPFA – Deputy Adjudicator

SAA – Senior Assistant Adjudicator

HR – Human Resources

EHCS & CFO – Executive Head Corporate Services & Chief Financial Officer

SLA – Senior Legal Advisor

NCUS – New Complaints Unit Supervisor

ERM – Early Resolution Manager

ITSM – Information Technology Senior Manager*Refer to note "Employee related costs"

*The Minister of Finance extended the contract of the former Pension Funds Adjudicator, Ms MA Lukhaimane, for a two months period ending, 31 January 2026, for purposes of facilitating a smooth handover process.

24. RISK MANAGEMENT - PRE-REVISED GRAP 104

Financial risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, other liquid financial instruments and the ability to settle debts as they become due. The entity endeavours to maintain adequate resources by monitoring rolling cash flow forecasts of the cash and cash equivalents on the basis of expected cash flow movements during the year.

The entity's financial liabilities mainly consist of Trade and Sundry payables which are presented in the statement of financial position for the year ended 31 March 2026 as part of payables from exchange transaction at R2 567 884

(2024:R1 409 658).

The entity's financial assets mainly consist of cash and cash equivalents at R54 401 824 (2025: R53 216 461). All the identified financial assets and liabilities matured or will mature in less than 12 months and the impact of discounting is considered insignificant and immaterial. The entity has sufficient liquid resources to settle its creditors as and when they fall due. Leave accrual has been included to take into account maximum possible exposure, though management sees the risk as less likely. In the prior year, financial assets included items of receivables from exchange transactions relating to study assistance, which has since been reclassified as Other receivables from exchange transactions as it does not meet the criteria for classification as a financial asset in terms of the updated Grap 104 (Revised 2019) standards.

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	1,409,658	-	-	-

Credit risk

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

Financial assets exposed to credit risk at year end were as follows: refer to note 4

	2026 R	2025 R
Financial instrument		
Cash and cash equivalents	54,401,837	53,216,461
Receivables from exchange transactions	17,034	773,389

The receivables from exchange transactions relate to employee debt that was settled within 30 days after the financial year-end. The amount is considered immaterial, and the associated credit exposure is insignificant.

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

The entity does not hedge foreign exchange fluctuations. Transactions with foreign exchange exposure are considered individually as and when they arise.

25. GOING CONCERN

We draw attention to the fact that at 31 March 2026, the entity had an accumulated surplus (deficit) of R 72,379,524 and that the entity's total assets exceed its liabilities by R 72,379,524. A positive cash and cash equivalents balance of R54 401 824 to fund shortterm obligations as they fall due.

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.

26. RECONCILIATION BETWEEN BUDGET AND STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

	2026 R	2025 R
Net surplus per the statement of financial performance	3,776,213	23,246,390
Adjusted for:		
Over recovery of Revenue	(3,169,808)	(13,800,902)
Over(Under) spending on expenditure	14,059,124	(1,789,833)
Gain on the sale of assets	305,898	19,063
Loss/(Gain) on foreign exchange	802	74
Acquisition of Intangible Assets	(2,440,230)	(2,676,376)
Acquisition of Property plant and equipment	(11,782,368)	(7,187,608)
Provision for incentive scheme & Employee personal bonus provision	922,838	470,452
Provision for bad debts	343,351	1,659
IT Maintenance and Support	-	1,808,736
Leave liability adjustment	(117,712)	(78,598)
Interest received from non-exchange transactions	(28,920)	(13,057)
Other	(752,107)	-
Interest	(1,117,081)	-
Net deficit per approved budget		-

27. SERVICE IN-KIND

During the period under review, the OPFA received services-in-kind from the FSCA at no cost, including revenue and debt collection services as well as other administrative support. The OPFA also collaborated with the Ombud Council and NFOSA on various initiatives, including outreach programmes and the provision of a hot desk at their premises on designated days each week to receive walk-in complaints. These in-kind services are considered individually financially insignificant and immaterial.

28. SEGMENT INFORMATION

General information

Identification of segments

The OPFA is organised and reports on its operations and financial affairs in line with its legal mandate under the Pension Funds Act. On this basis management considers the organisation's strategy, risks, resources, and financial matters as a single operating segment.

The OPFA's main office is in Pretoria, Gauteng. Although an access point has been established at the NFOSA offices during the year under review, it is considered financially insignificant and immaterial to report as a separate segment. While the OPFA is accessible nationally, its operational risks and finances are managed from a single location. Management therefore regards the entity as a single segment, and adequate disclosure has been made in these annual financial statements.

29. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Revenue from non-exchange transactions

The OPFA had a funding shortfall of R3 million for the 2025/26 financial year. It had budgeted total levy income of R118 million, comprising R112 million for operational costs and R6 million for the allowable reserves account. However, total levy income collected amounted to R115 million, mainly due to a reduction in pension fund membership. As a result, while operational and capital expenditure was fully funded, the allowable reserves account remained underfunded by R3 million.

Personnel cost

The overspending is due new additions in key positions like the executive manager in the office of the PFA, the extension of the former PFA's contract for a hand over to the new PFA to facilitate a smooth transition in leadership, as well as the payments of termination leave days.

Intangible assets

Computer Software was overspent mainly due to the implementation of the Finance and SCM system which started in the previous years and overlapped to the 2025/26 financial year. The expenditure in the current year was funded from the committed reserves rolled-over from the previous year.

Property, plant and equipment

The overspending in PPE is due to overspending on furniture & fittings, and leasehold property due to the additional lease space which was procured in the previous years, The expenditure in the current year was funded from the committed reserves from prior year.

Depreciation and amortisation

The over-allocation relates to acquisitions of assets and additional intangible assets in the current year contributing to higher than budgeted depreciation and amortisation expense.

Operating lease rentals

The aggregate underspending is mainly due to favourable rates per square meter on the new contract despite the additional space, as well as the spending for utilities being disclosed with other operating costs.

Consulting and professional fees

The underspending on consulting and professional is due to timing difference in project implementation and expenditure, with projects such as TOP employer certification and change management consultation in progress.

Other operating cost

The other operating costs is overspent due to over expenditure on water and electricity utility, rates and taxes, as well as Insurance, this is due to additional space and procurement of furniture and fittings for the additional space, which needed to be insured.

30. ACCOUNTING BY PRINCIPALS AND AGENTS

The entity OPFA a party to a principal-agent arrangement (with the Financial Sector Conduct Authority (FSCA)). The OPFA is the principal in this arrangement, as the Levies Act provides for the imposition of financial sector levies on supervised entities for the funding of the OPFA as per the amended section 30R of the Pension Funds Act, whilst the Financial Sector and Deposit Insurance Levies Act 11 of 2022, imposes on the FSCA, the responsibility to execute the collection and administration of the financial sector levy to provide for the funding of the OPFA.

Entity as principal

There are no resources that have been recognised by the agent in its financial statements.

There is no risk for resource and/or cost implications for the entity if the principal-agent arrangement is terminated as the arrangement is anchored by legislation. Included below are the transactions undertaken, disbursements made and balances outstanding as at 31 March 2026.

Transactions between the principal and agent

Included below are some of the transactions undertaken, disbursements received and balances outstanding as at 31 March 2026.

2026

	FSCA R	Total R
Opening balance	1,001,509	1,001,509
Invoiced levies by the agent	115,401,407	115,401,407
Interest on overdue accounts	28,920	28,920
Write off	(8,210)	(8,210)
Amounts remitted by the agent	(116,716,773)	(116,716,773)
Closing balance	(530,174)	(530,174)
Payable	823,321	823,321
	-	-

2025

	FSCA R	Total R
Opening Balance	25,830	25,830
Levies invoiced by the agent	120,516,107	120,516,107
Interest on overdue accounts	13,057	13,057
Write off	(1,660)	(1,660)
Amounts remitted by the agent	(119,551,825)	(119,551,825)
Closing balance	(1,001,509)	(1,001,509)
	-	-

31. BBBEE PERFORMANCE

Information on compliance with the B-BBEE Act is not yet included in the annual financial statements as the review process is still underway.





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Pension Funds Adjudicator 

RP207/2026
ISBN: 978-0-621-52202-0