SACE
South African Council for Educators
Towards Excellence in Education

SOUTH AFRICAN COUNCIL
FOR EDUCATORS

ANNUAL REPORT
2025/26

FINANCIAL YEAR

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PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	South African Council for Educators
REGISTRATION NUMBER: (if applicable):	SACE Act 31 of 2000 as amended
PHYSICAL ADDRESS:	Crossway Office Park, Block 1 240 Lenchen Avenue Centurion
POSTAL ADDRESS:	Private Bag X127 Centurion 0046
Tel:	012 663 9517
Email Address:	info@sace.org.za
Website:	www.sace.org.za
EXTERNAL AUDITORS:	Nexia-SAB&T
BANKERS:	Nedbank Limited

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AC	Audit Committee
AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
B-BBEE	Broad-Based Black Economic Empowerment
CAE	Chief Audit Executive
CEO	Chief Executive Officer
CET	Community Education & Training College
CFO	Chief Financial Officer
COID	Compensation for Occupational Injuries and Diseases
CPTD	Continuing Professional Teacher Development
DBE	Department of Basic Education
DSD	Department of Social Development
ECD	Early Childhood Development
ELP	Early Learning Programmes
FTT	Fit-to-Teach
GNU	Government of National Unity
GRAP	Generally Recognised Accounting Practice
HEIs	Higher Education Institutions
IAF	Internal Audit Function
ICT	Information and Communication Technology
IIA	Institute of Internal Auditors
IPPF	International Professional Practices Framework
ISPFTED	Integrated Strategic Planning Framework for Teacher Education and Development
MEC	Member of Executive Council
MOUs	Memoranda of Understanding
NCPR	National Child Protection Register
NPFTED	National Policy Framework for Teacher Education and Development
PFMA	Public Finance Management Act 1 of 1999
PTS	Professional Teaching Standards
RAC	Risk and Audit Committee
SABC	South African Broadcasting Corporation
SACE	South African Council for Educators
SAICA	South African Institute of Chartered Accountants
SCM	Supply Chain Management
SEIAS	Submission to the Presidency Socio-economic Impact Assessment
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training

3. FOREWORD BY THE CHAIRPERSON

Ms Primrose Nomarashiya Caluza
Chairperson of Council

It is my privilege to present the South African Council for Educators (SACE) Annual Report for the 2025/26 financial year, a year that marked the commencement of implementing the Council's 2025–2030 Strategic Plan and reaffirmed SACE's commitment to strengthening the professionalism, integrity and credibility of the teaching profession in South Africa.

As the statutory professional body established in terms of the SACE Act 31 of 2000, SACE continues to play a critical role in safeguarding the public interest through the registration of educators, the promotion of continuing professional development, the maintenance of professional and ethical standards, and the provision of evidence-based policy advice to the education sector. Our vision of Inspiring a Credible and Agile Teaching Profession remained at the centre of every strategic intervention undertaken during the year under review.

The 2025/26 financial year was characterised by both opportunity and transition. While the education sector remained relatively stable under the Government of National Unity, SACE experienced a significant governance transition following the completion of the previous Council's term of office. Despite the temporary governance gap before the appointment of the new Council, the organisation maintained operational continuity and continued to discharge its legislative mandate with dedication and professionalism. This resilience demonstrates the institution's maturity and the commitment of management and staff to ensuring uninterrupted service delivery.

The implementation of the new five-year Strategic Plan laid a solid foundation for achieving SACE's long-term vision. During the reporting period, the Council remained focused on strengthening professional regulation, improving governance, modernising business systems, advancing the professionalisation of Early Childhood Development (ECD) practitioners, promoting ethical conduct within the profession, and strengthening evidence-informed decision-making. These strategic priorities remain aligned with the National Development Plan 2030 and national education priorities aimed at improving the quality of teaching and learning.

The organisation recorded commendable progress across its strategic programmes. Significant achievements included strengthened professional registration and Fit-to-Teach processes, expanded monitoring of educator registration compliance in schools, increased collaboration with Higher Education Institutions via the Teaching Practice Memoranda of Understanding, and continued implementation of the Professional Teaching Standards. The Council also advanced the development of the ECD Professionalisation Framework, an important milestone in recognising and strengthening the professionalism of Early Childhood Development practitioners.

The Professional Development Programme continued to support educators through the Continuing Professional Teacher Development (CPTD) Management System and expanded its engagement with professional development providers and educators nationwide. Equally important, the Research and Policy Coordination Programme strengthened SACE's advisory role via strategic research initiatives, policy development and partnerships with institutions such as the University of the Witwatersrand and the Commonwealth of Learning.

These initiatives reinforce the Council's commitment to ensuring that policy and professional practice are informed by credible research and emerging evidence. Protecting learners and maintaining ethical standards remain among SACE's highest priorities. During the year, the organisation experienced the highest number of educator misconduct complaints in its history. While this presented operational challenges, it also demonstrated increasing public confidence in SACE's regulatory role and growing awareness of the Code of Professional Ethics. The Council remains committed to strengthening case management systems, improving turnaround times, and ensuring that disciplinary processes continue to uphold the integrity of the teaching profession while protecting the rights and wellbeing of learners.

The Council recognises that no institution can fulfil its mandate in isolation. Our achievements during the year were made possible by maintaining strong strategic partnerships with our stakeholders. These partnerships continue to strengthen teacher professionalisation, policy development, research, professional development, and ethical governance.

The year under review was not without challenges. The transition between councils disrupted governance structures and delayed certain strategic decisions requiring Accounting Authority approval. The organisation also continued to experience capacity constraints due to long-standing vacancies in critical positions, thereby increasing operational pressures across programmes.

Financial sustainability remains a strategic consideration, as operational costs continue to increase while educator levy income has remained unchanged for several years. Furthermore, the pace of digital transformation and systems integration requires sustained investment to improve organisational efficiency and service delivery. The newly appointed Council remains committed to providing effective governance oversight to address these challenges through strengthened strategic leadership, sound financial stewardship, enhanced risk management, and institutional modernisation.

Looking ahead, the Council's strategic focus over the medium- to long-term will be on fully implementing the 2025–2030 Strategic Plan. Priority will be given to strengthening governance and organisational capacity, accelerating digital transformation, enhancing the professionalisation of teachers, Technical, Vocational Technical and Vocational Education and Training (TVET) - Community Education & Training College (CET) lecturers, and ECD practitioners, improving educator ethics and accountability, strengthening research and policy leadership, and building a financially sustainable institution capable of responding to the evolving needs of the education sector. The Council will also continue to deepen collaboration with national and international partners to ensure that SACE remains responsive, innovative and globally relevant.

On behalf of the Council, I extend my sincere appreciation to the Minister of Basic Education for her continued support and confidence in the work of SACE. I also acknowledge our valued stakeholders and strategic partners whose collaboration continues to strengthen the teaching profession and improve educational outcomes in South Africa. I wish to express my heartfelt appreciation to my fellow Council members for their commitment to good governance and strategic leadership. My gratitude is also extended to the Chief Executive Officer (CEO), the Executive Management Team, and every employee of SACE for their professionalism, resilience and unwavering dedication during a period of organisational transition. Their commitment ensured that the organisation continued to fulfil its mandate despite significant operational challenges.

As we reflect on the achievements of the 2025/26 financial year, we remain mindful that the work of building a credible, ethical and professional teaching profession is a continuous journey. The Council remains steadfast in its commitment

to strengthening public confidence in the teaching profession via sound governance, accountability, innovation and collaboration. Together with our stakeholders, we will continue to advance excellence in education and contribute meaningfully to South Africa's national development priorities.

Ms Primrose Nomarashiya Caluza
Chairperson of Council
South African Council for Educators

Date:

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Ms Ella Mapula Mokgalane
Chief Executive Officer

General Financial Review of the Public Entity

SACE has published its audited financial statements for the 2025/26 fiscal year, reflecting a stable and positive financial position. As a self-funded professional regulatory body, SACE primarily generates revenue through levies paid by professionally registered teachers. A total of R160 million in revenue has been recorded, representing a 10.34% increase from R145 million in 2024/25. This growth is largely attributed to stricter enforcement of the entity's membership financial standing requirements, despite teacher levies remaining unchanged since April 2021. Also, the entity received R17.1 million from the fiscus through the Department of Basic Education Budget Vote 16. This grant supports the management of the CPTD system, as mandated by Section 5(b) of the SACE Act. The grant increased marginally by 4.27% from R16.4 million in the previous year. Revenue from the registration-related administration fees rose to R31.6 million. This represents a significant 55% increase from R20 million in 2024/25. This surge is driven by enhanced enforcement of compliance, in terms of membership fees, among registered educators.

Spending Trends of the Public Entity

While the entity reported total revenue of R160 million for the 2025/26 financial year, its total expenditure amounted to R150 million, representing 93.75% of the revenue. This indicates a tightly balanced budget with limited surplus, underscoring the importance of prudent financial management. Accordingly, the key cost driver was employee compensation, which amounted to R71.7 million (47.8% of total expenditure). This remains the largest cost component, reflecting the entity's investment in human capital. The administration amounted to R36.6 million (24.4%) and covered operational and support functions essential to the Council's daily activities, including governance. Overall, the Annual Performance Plan (APP) Programmes, which are central to SACE's service delivery in the teaching profession, cost R32.7 million (21.8%). R9 million (4%) was spent on Information and Communication Technology (ICT) to support digital infrastructure and systems, including the CPTD Management System platform, despite capacity constraints and challenges facing the public entity.

SACE's recurring staff shortages have negatively impacted its six APP Programmes and increased pressure on employees covering multiple roles. By March 2026, about 30 positions, including managerial positions, had been vacant for 2-3 years, exacerbated by a hiring freeze pending completion of a job evaluation and skills audit, which is expected to conclude in 2026/2027. Persistent financial constraints also hinder operations. Reliance on an unchanged educator levy (R198/annum) has failed to keep pace with rising costs, thus highlighting the need for SACE to pursue a more sustainable funding model. Integration of ICT systems remains delayed, with ongoing challenges in fully digitising and connecting platforms for registration, CPTD tracking, and complaints management issues.

Discontinued Key Activities/Activities to Be Discontinued

During the 2025/26 financial year, SACE did not discontinue any of its legislated programmes or core regulatory functions. The organisation continued to implement all activities contained in the 2025–2030 Strategic Plan and the approved 2025/26 APP.

New or Proposed Key Activities

During the year under review, SACE introduced several strategic initiatives to strengthen teacher professionalisation and improve organisational effectiveness. Key initiatives included: the implementation of the 2025–2030 Strategic Plan, development of the ECD Professionalisation Framework, implementation of the Professional Teaching Standards across the Teacher Professionalisation Path, expansion of the Teaching Practice Memoranda of Understanding with Higher Education Institutions, strengthening of the Fit-to-Teach processes, enhancement of research and evidence-based policy development, and approval of the 2025–2030 Communication and Stakeholder Relations Strategy.

Over the medium-term, SACE will prioritise the modernisation and integration of its ICT systems, strengthen educator ethics case management, enhance digital service delivery, expand support for CPTD, strengthen governance and institutional capacity, and deepen strategic partnerships within the education sector, to advance the professionalisation of teachers and ECD practitioners.

Requests for Rollover of Funds

During the period under review, the entity recorded an accounting surplus of R10 million, compared with a restated surplus of R7.7 million in the previous year, representing a 30% increase. While this reflects a nominal increase in surplus, it represents a 4.8% improvement in net asset growth, bringing total net assets to R209 148 730. The surplus was primarily driven by (a) enhanced enforcement of membership compliance, which improved revenue collection; (b) underspending on APP Programmes, with expenditures of R32.7 million (21.8% of budget). The Council submitted a formal request to the Minister of Basic Education on 31 July 2026 to retain its surplus of R117,7 million.

As a self-sustaining entity, the Council intends to allocate this surplus towards the following: (a) business continuity and operational resilience, (b) upgrading ICT infrastructure, and (c) establishing a contingency reserve fund to support educator case management, employee dispute resolution, and acquisition of essential operating assets. This strategic approach will ensure that SACE remains financially robust while enhancing its capacity to deliver on its professional and regulatory mandate.

Supply Chain Management

Annual procurement plans at the organisation align with its strategic and operational needs, ensuring all procurement is budget-linked and balances quality, efficiency, and cost-effectiveness. Formal bidding processes, overseen by Bid Evaluation and Adjudication Committees, comply with National Treasury regulations for goods and services above the set thresholds: the standard Bidding Documents and Terms of Reference guide the competitive bidding process.

Supply Chain Management handles asset and inventory control, maintains registers, and oversees asset disposal. Suppliers are selected from the Central Supplier Database, prioritising Broad-Based Black Economic Empowerment (BBB-EE) criteria. Emergencies and deviations follow documented protocols, require CEO approval, and are reported to relevant authorities. The SCM system tracks irregular expenditure, thereby supporting SACE's commitment to integrity, value for money, and accountability in procurement and finance.

All Concluded Unsolicited Bid Proposals for the Year Under Review

SACE did not receive or conclude any unsolicited bid proposals during the 2025/26 financial year. All procurement activities were undertaken in accordance with the approved Supply Chain Management (SCM) Policy, the Public Finance Management Act (PFMA), National Treasury Regulations, and applicable SCM prescripts.

Whether SCM Processes and Systems Are in Place

SACE maintained effective SCM processes and systems throughout the reporting period, to support the efficient acquisition of goods and services and ensure compliance with applicable legislative and regulatory requirements. The organisation continued to strengthen internal controls through regular compliance monitoring, risk management, Internal Audit reviews, and oversight by the Audit and Risk Committee.

Challenges Experienced and How Resolved

During the reporting period, SACE experienced several operational challenges that affected organisational efficiency. These included prolonged vacancies in critical positions, financial constraints due to rising operational costs, and delays in the integration of ICT systems, resulting from the finalisation of User Requirement Specifications for system integration.

To address these challenges, management implemented several corrective measures, including strengthening internal financial controls, prioritising critical service delivery functions, enhancing project monitoring, improving procurement planning, and accelerating business process reviews to support digital transformation. In addition, recruitment planning, organisational redesign and a comprehensive job evaluation process were progressed to strengthen institutional capacity and improve long-term organisational sustainability.

Audit Report Matters in the Previous Year and How They Would Be Addressed

During the 2025/26 financial year, management developed and monitored action plans to address matters raised during previous audit processes. Progress in implementing internal and external audit recommendations was regularly monitored via management structures, Internal Audit, the Audit and Risk Committee, and the Accounting Authority.

The organisation will continue to strengthen performance information management, improve the quality of supporting evidence, enhance financial reporting processes, and reinforce compliance monitoring to address outstanding audit findings and sustain improvements in governance and organisational performance.

Outlook/Plans for the Future to Address Financial Challenges

While SACE remains financially sustainable, the organisation recognises the increasing pressure from rising operational costs, inflation, and the static educator levy, which has remained unchanged for several years. To strengthen long-term financial sustainability, the Council will continue to explore alternative funding opportunities within the legislative framework, improve revenue collection through enhanced compliance measures, and optimise operational efficiency across all programmes.

Events After the Reporting Date

After the reporting date of 31 March 2026, the newly appointed SACE Council assumed office in April 2026, providing renewed governance oversight and strategic leadership to the organisation. The Council has commenced implementing its governance responsibilities in support of the 2025–2030 Strategic Plan and organisational priorities.

Economic Viability

The audited financial statements for the 2025/26 fiscal year reflect a sound and economically viable position for the

entity. The Council reported total net assets of R209 million and cash and cash equivalents of R170 million, underscoring its financial resilience. Based on these audited results, business continuity over the next 12 months is not at risk.

A key contributor to this stability was the enforcement of membership compliance, which significantly enhanced revenue collection and overall financial viability during the reporting period. Looking ahead, and considering a projected constrained operating budget, the Accounting Authority is actively exploring sustainable funding models to reinforce long-term financial stability. These efforts aim to safeguard core operations and ensure the continued delivery of strategic programmes aligned with SACE's mandate.

Acknowledgement/s or Appreciation

The Accounting Authority of SACE has provided steadfast governance and strategic oversight throughout the financial year. We, therefore, extend our sincere appreciation to the Chairperson and Council members for their leadership, diligence, and unwavering support. Our Chief Financial Officer and Senior Management Team have played an important role in executing the Council's strategic objectives. We appreciate their ability to navigate challenges and foster collaboration, which has been central to advancing our mandate to promote and safeguard the teaching profession. We sincerely thank our staff for their dedication and professionalism, which are vital to our success in educator registration, professional development, ethics, and engagement. We also appreciate the Minister of Basic Education, as the SACE Executive Authority, for their ongoing support and leadership, which enable SACE to advance educational transformation and elevate the teaching profession.

Other (Information That Needs to Be Communicated to Users of AFS)

The Annual Financial Statements have been prepared in accordance with the applicable accounting standards and relevant legislative requirements.

Ms Ella Mapula Mokgalane
Chief Executive Officer
South African Council for Educators

Date:

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

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

- All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the National Treasury's guidelines on annual reports.
- The Annual Financial Statements (Part F) have been prepared in accordance with the standards applicable to SACE.
- 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 as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.
- The annual report fairly reflects the operations, performance, human resources, and financial affairs of SACE for the financial year ended 31 March 2026.

Ms Ella Mapula Mokgalane
Chief Executive Officer
South African Council for Educators

Date:

6. STRATEGIC OVERVIEW

6.1. Vision

Inspiring a Credible and Agile Teaching Profession.

6.2. Mission

To register fit-to-practice student teachers, teacher candidates, teachers, ECD practitioners, and college lecturers; promote the provision of quality continuing professional development; and maintain the ethical and professional standards of the profession.

6.3. Values

The core values and ethical principles of the SACE are outlined in the table below:

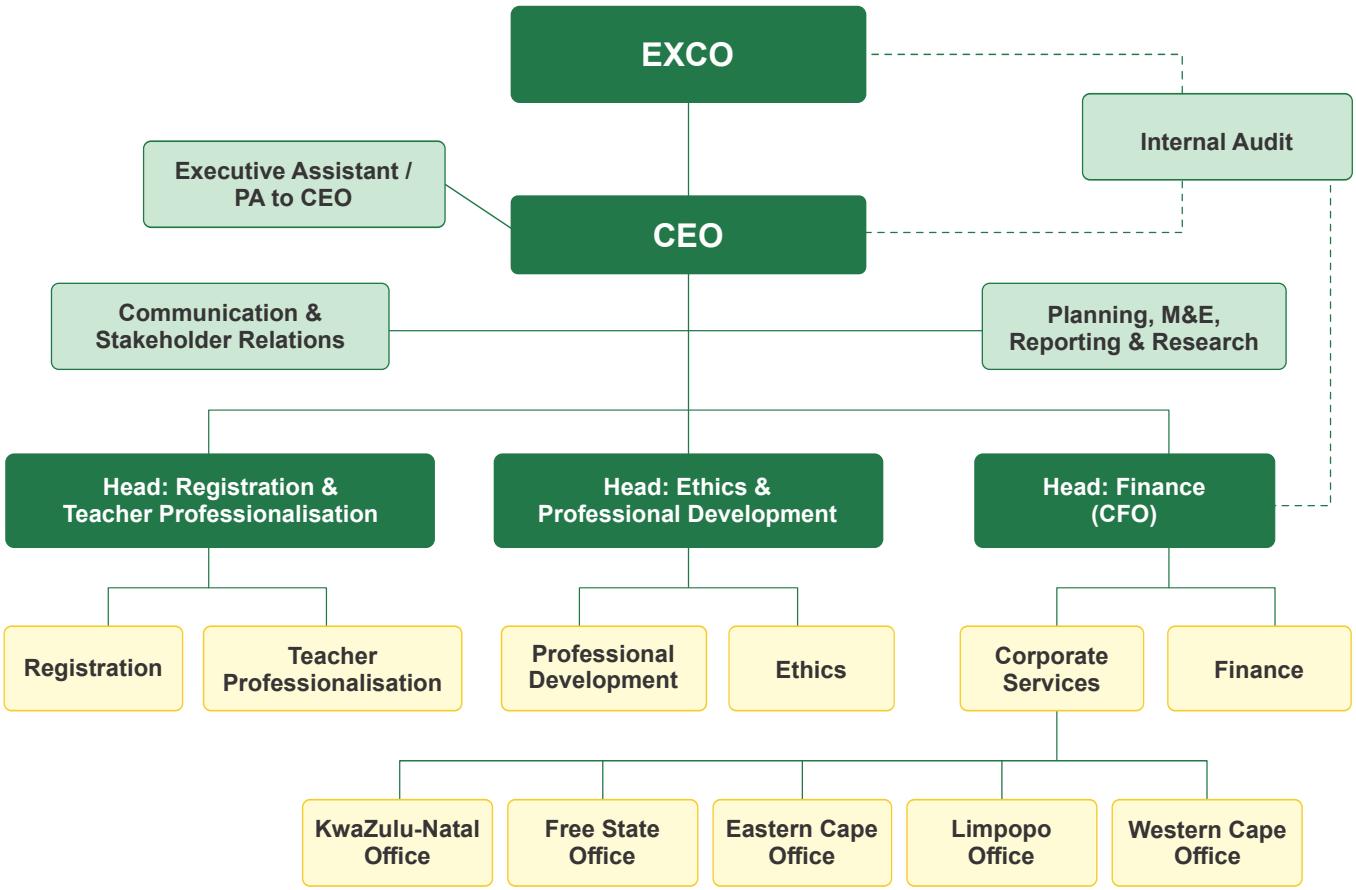
7. LEGISLATIVE AND OTHER MANDATES

The South African Council for Educators (SACE) is a statutory professional body and Schedule 3A public entity established in terms of the South African Council for Educators Act, 2000 (Act No. 31 of 2000), as amended, and is subject to the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The SACE Act provides for the registration of educators, the promotion of their professional development, and the setting, maintenance and protection of ethical and professional standards for educators.

Legislative and Other Mandates

- **The Constitution of the Republic of South Africa (1996)** is fundamental in promoting the values that are consistent with basic human rights, as well as ensuring that the child's welfare is paramount when making decisions about their lives.
- **NQF Act, 2008 (Act No. 67 of 2008)**: as a professional body, SACE should work collaboratively with all the quality councils and ensure that it is recognised by the South African Qualifications Authority (SAQA).
- **South African Schools (Act No. 84 of 1996)**: provides for a uniform system for the organisation, governance and funding of schools; to amend and repeal certain laws relating to schools; and to provide for matters connected therewith.
- **Employment of Educators Act, 1998 (Act No. 76 of 1998)**: regulates the employment of educators and has implications for SACE in relation to issues of educator misconduct and the reporting thereof by the employers of educators.
- **The Children's Act, 2005 (Act No. 38 of 2005)**: SACE is required to implement the SACE Act and enforce the Code of Professional Ethics in line with the Children's Act, ensuring that the names of the sanctioned educators who are not fit to work with children are recorded there.
- **The Criminal Law (Sexual Offences and Related Matters) Amendment Act 32 of 2007**: deals with the legal aspects of sexual offences and the inclusion of convicted sex offenders in the National Register for Sex Offenders.
- **The Commission for Gender Equality Act, 1996 (Act No. 39 of 1996)**: SACE ensures that it aligns itself by monitoring and evaluating the policies and practices of government, the private sector, and other organisations to ensure that they promote and protect gender equality, and by providing public education and information.
- **Integrated Strategic Policy Framework for Teacher Education and Development (2011) (ISPFTED)**: puts forward improved and expanded teacher education and development opportunities to improve the quality of teaching and learning in schools.
- **Minimum Requirements for Teacher Education Qualification (MRTEQ)**: provides a basis for the construction of core curricula for Initial Teacher Education, as well as for Continuing Professional Development (CPD) Programmes that accredited institutions must use to develop their programmes, thereby leading to teacher education qualifications.
- **National Policy Framework for Teacher Education and Development (2007) (NPFTED)**: seeks to provide an overall strategy for the successful recruitment, retention, and professional development of teachers to meet the social and economic needs of the country.

8. ORGANISATIONAL STRUCTURE



PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General (AGSA) currently performs the necessary audit procedures on performance information to provide reasonable assurance through an audit conclusion.

AGSA did not identify any material findings on the reported performance information for the selected programmes. However, a material misstatement was identified in the annual performance report submitted for auditing. This material misstatement was in the reported performance information for Programme 3. Ethical Standards. Management subsequently corrected all the misstatements, and they were not included in this report. The audit conclusion on the performance against predetermined objectives is included in the management report, under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the AGSA's Report. (Refer to Part F: Financial Information for the AGSA's Report).

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

The 2025/26 financial year marked the commencement of the implementation of the SACE 2025–2030 Strategic Plan, which is anchored on strengthening the professionalisation of the teaching profession, advancing the professionalisation of ECD practitioners, promoting adherence to the Code of Professional Ethics, and enhancing digital systems to improve organisational efficiency and service delivery. The year under review was therefore characterised by both organisational transition and a renewed strategic focus, as the organisation sought to position itself to respond effectively to evolving demands in the surrounding GNU; the broader social, political, and policy environment remained stable, with continuity in education policy priorities aligned with the National Development Plan (NDP) 2030 and the education sector.

During the reporting period, SACE operated within a relatively stable education and governance environment during the second year of the seventh administration of the Government of National Unity (GNU). Despite initial uncertainty, the Medium-Term Development Plan was in place. The sustained focus on quality basic education, skills development, educator professionalism and improved learning outcomes enabled SACE to continue implementing its legislative mandate without significant policy disruption.

The year under review also coincided with the conclusion of the term of the SACE Accounting Authority, the Council, in July 2025. The financial year ended without the Council being constituted, which affected the convening of governance structures and delayed certain strategic and policy decisions required to advance organisational priorities. Notwithstanding these governance challenges, the administration continued to implement operational activities and maintain service delivery, ensuring continuity in the execution of the organisation's mandate through the office of the Acting Council Chairperson.

The Planning, Monitoring, Evaluation and Reporting function continued to strengthen organisational accountability and governance by coordinating and submitting statutory reports, facilitating the development of the 2026/27 APP, and enhancing internal performance management systems and policies. These interventions contributed to improved organisational oversight, performance monitoring and decision-making processes across programmes.

Overall, SACE recorded a positive performance against its APP during the period under review, with several programmes achieving or exceeding planned targets. Significant progress was recorded in professional registration and certification, professional development, quality management and assurance, and Research and Policy Coordination. In delivering services directly to the public, the Professional Registration and Certification Programme maintained its core regulatory and gatekeeping role by processing educator registrations, monitoring compliance within schools, and implementing initiatives to strengthen teacher professionalism. The organisation exceeded its planned targets relating to Fit-to-Teach processes and school monitoring visits, thereby reinforcing the integrity and accountability of the teaching profession. Progress was also made in advancing the professionalisation of ECD practitioners and in strengthening partnerships with Higher Education Institutions via the establishment of Memoranda of Understanding on teaching practice and professional ethics.

The Professional Development Programme continued to support educators by managing the CPTD system, provider management, and educator support initiatives. Increased compliance by professional development providers in reporting activities demonstrated growing sector alignment with SACE requirements and standards. In addition, targeted district-based support interventions enhanced educator participation and awareness of professional development opportunities and SACE mandates.

Research and knowledge management initiatives further strengthened evidence-based planning within the education sector. SACE leverages research initiatives via collaboration with different partners. Specifically in the year under review, partnerships were established with the University of the Witwatersrand and the Commonwealth of Learning.

The ethics programme is mandated to uphold, maintain, and enforce ethical conduct among educators. This entails a concerted effort to continuously improve case management processes, to ensure the finalisation of cases and the enforcement of disciplinary outcomes. For the period under review, a total of 831 complaints were received; the highest number registered in the organisation's history. This indicates that the public is responding to the organisation's advocacy programmes that educate parents, learners, and society at large about the Educators' Code of Professional Ethics.

This also means that the programme will have to double its efforts and prioritise stringent measures to address these complaints and curb future occurrences. However, the programme notes that the trends remain the same. This year has not been different from the past financial year, as there appeared to be an increase in the number of corporal punishment cases, sexual abuse of learners, assault of colleagues by other colleagues within the school environment, submission of fraudulent qualifications and other forms of unprofessional conduct.

Although a lot of effort was placed on processing cases carried over from the previous financial year, not all cases could be finalised owing to several factors, including a severe lack of internal personnel to handle the large volume of complaints and related administrative processes emanating from cases that have gone through the various stages of disciplinary processes.

Despite the operational, governance and external challenges experienced during the reporting period, SACE remained focused on fulfilling its legislative mandate and sustaining service delivery to educators and other stakeholders. The achievements recorded during the year reflect the organisation's resilience, its employees' commitment, and the continued relevance of its role in supporting the professionalisation, regulation, and development of the teaching profession in South Africa.

2.2. Organisational Environment

During the 2025/26 financial year, SACE maintained a relatively stable organisational environment, with minimal staff movement in relation to appointments, resignations and terminations. The stability of the workforce contributed to operational continuity and supported the implementation of the organisation's strategic and operational priorities.

The approved staff establishment comprised 136 positions, consisting of 112 permanent employees and approximately 24 temporary and contract employees. The number of temporary and contract employees varied during the year, depending on operational requirements and organisational needs. The staff complement included three top management positions, nine senior management positions, 22 professionally qualified employees, 29 skilled employees, 65 semi-skilled employees and eight unskilled employees.

At the beginning of the financial year, the organisation had approximately 25 vacant positions across various occupational levels, including one top management post, four senior management posts, seven professionally qualified posts, seven skilled posts and six unskilled posts. The filling of vacancies progressed more slowly than anticipated, due to delays in the approval and finalisation of recruitment processes.

As an interim measure, the organisation relied on temporary and contract employees to support critical operations in areas affected by vacancies. However, the repeated extension and termination of short-term contracts created operational instability and placed pressure on organisational capacity in certain programmes.

2.3. Key Policy Developments and Legislative Changes

National Policy Framework for Teacher Education and Development (NPFTED)

The first version of the NPFTED was developed in 2007 under the leadership of Naledi Pandor. This was followed by the first-ever post-1994 Teacher Development Summit in July 2009, and a second Summit in November 2021.

The 2009 Summit led to the development of the Integrated Strategic Planning Framework for Teacher Education and Development (ISPFTED) in 2011, which has since guided the implementation of teacher education and development (TED) initiatives. Participants at the 2021 Summit recommended that the NPFTED be revised and updated to align with the ISPFTED, ensuring coherence and greater impact.

The education sector embarked on a nationwide review of the NPFTED in 2025/26, with the HEDCOM Sub-Committee of the Department of Basic Education approving the document for submission to the Presidency Socio-economic Impact Assessment (SEIAS) unit.

Bana Pele Shared Blueprint in 2025

The Department of Basic Education (DBE) released the Bana Pele Shared Blueprint in 2025 as a bold and collaborative roadmap to transform early learning in South Africa. Bana Pele means 'Children First', a principle that anchors the Blueprint's vision to ensure that all children aged 3 to 5 have access to affordable, equitable, and quality Early Learning Programmes (ELPs) by 2030.

The Department of Basic Education's release of the Bana Pele Shared Blueprint has significant implications for the SACE, particularly regarding the professionalisation, regulation, ethics, and development of ECD practitioners.

The Bana Pele Blueprint aims to formalise and expand access to quality ECD programmes by mass-registering ELPs and improving system oversight. This means SACE will probably need to:

- Increase registration of ECD practitioners into the professional educator system.
- Develop streamlined registration pathways for practitioners who may not yet meet full professional requirements.
- Strengthen verification and recognition of ECD qualifications.

As the Blueprint pushes for quality and accountability in ECD delivery, SACE's professional standards and Code of Professional Ethics become increasingly important.

2.4. Progress Towards Achievement of Institutional Impacts and Outcomes

SACE continued to implement strategic interventions to achieve its five-year impacts and outcomes outlined in the Strategic Plan. Progress recorded during the 2025/2026 financial year demonstrates the entity's ongoing commitment to strengthening governance, maintaining professional and ethical standards within the teaching profession, improving the provision of professional development, and enhancing evidence-based advisory support. The section below outlines progress on each outcome indicator, including key achievements and areas requiring corrective action to improve performance and accountability.

Outcome	Outcome Indicator	Annual Progress
Efficient and effective governance	Percentage of internal and external audit recommendations implemented	• During the 2025/2026 financial year, implementation progress was recorded at 60% for external audit recommendations and 24% for Internal Audit recommendations. This translates to an overall implementation rate of 28% for combined internal and external audit recommendations. • The variance between internal and external audit implementation rates indicates uneven progress across audit areas, with Internal Audit recommendations requiring accelerated implementation. Targeted corrective measures will be implemented to strengthen follow-through, enhance accountability, and improve overall compliance in subsequent reporting periods.
Maintained professional standards	Number of teachers' professionalisation path focus areas aligned to the Professional Teaching Standards (PTS)	• SACE's work during the reporting period directly advanced the maintenance of professional standards across the Teacher Professionalisation Path. The activities undertaken aligned substantively to key PTS focus areas as outlined below. → **Focus Area 1: Entry into the Profession** ▪ Alignment: PTS 2 — Sub-standard 2.1 ▪ Vetting of prospective student teachers promoted ethical entry into the profession. ▪ Engagements and MOUs with Higher Education Institutions (HEIs) strengthened standards-based student teacher selection processes. → **Focus Area 2: Initial Teacher Education** ▪ Alignment: PTS 1 & PTS 2 — Collaboration. ▪ Workshops were conducted with HEIs on the implementation of Professional Teaching Standards within Initial Teacher Education programmes. ▪ The PTS for HEIs project supported the practical integration of professional standards into teacher development programmes.

Outcome	Outcome Indicator	Annual Progress
Efficient and effective governance	Percentage of internal and external audit recommendations implemented	→ **Focus Area 3: Ethical Professional Conduct** ▪ Alignment: PTS 1 — Ethical Commitment. ▪ Provisional registration and Fit-to-Teach (FTT) vetting processes ensured that only ethically suitable educators entered the profession. → **Focus Area 4: Induction and Mentorship Preparation** ▪ Alignment: PTS 2 — Sub-standard 2.5. ▪ SACE initiated preparatory work towards the development of Champion Teachers who will mentor Newly Qualified Teachers (NQTs). **Champion Teacher Development Process:** → **Stage 1 (2025/2026):** Capacitation on the content and application of PTS. → **Stage 2 (2026/2027):** Internalisation and implementation of the standards within professional practice. → **Stage 3 (Future): Mentorship and induction support for NQTs.** Collectively, these initiatives demonstrate SACE's continued commitment to maintaining professional standards through deliberate institutional action aligned to the Teacher Professionalisation Path and PTS.
Maintained ethical standards	Percentage of eligible reported misconduct cases of educators and practitioners finalised	• The programme has processed 556 misconduct cases during the 2025/2026 financial year and is currently dealing with 238 disciplinary hearings emanating from the cases processed. The programme made significant progress towards its Strategic Plan by enforcing ethical compliance while ensuring that educators uphold and maintain professional standards.
Quality management of Professional development provisioning	Percentage of educators satisfied with the provided Professional Development Programmes endorsed and predetermined by approved providers	• Development of the monitoring tool and consultations with relevant structures.
Improved evidence-based advisory role	Number of research projects/activities produced for advising the Minister, profession and Council	• During the financial year, three research reports were published, providing insights into key issues around sexual misconduct and corporal punishment, along with the development of one policy brief to guide decision-making. Currently, several additional research studies are underway, focusing on teacher supply, demand, and utilisation to address ongoing challenges. The programme is also collaborating with UNESCO on a study on teacher mental health and wellness, aiming to generate robust evidence to support policy formulation and implementation.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

To implement and manage policy directives and priorities of the Council and ensure the functional proficiency of SACE via appropriate supportive services.

1.1: Executive and Governance

Purpose: To determine policy and priorities for the organisation

1.2: Planning, Monitoring, Evaluation & Reporting

Purpose: To translate policies and priorities into strategies for effective service delivery and, to manage, monitor and control performance and research

1.3: Corporate Services

Purpose: To ensure appropriate support services based on the principles of corporate governance

1.4: Financial Management

Purpose: To provide sound financial and risk management support services as well as budgeting, provisioning, and procurement to the organisation

1.5: Communication and Stakeholder Relations

Purpose: To provide and improve internal and external communications of the organisation through various platforms to all stakeholders and ensure a proactive communication and advocacy strategy reaching all educators and stakeholder groupings

1.6: Information and Communication Technology

Purpose: Improved corporate governance of ICT leads to effective public service delivery via ICT-enabled access to organisational information and services, ICT enablement of business, improved quality of ICT service, stakeholder communication, trust between ICT, the business, and citizens, lowering of costs, increased alignment of investment towards strategic goals, protection and management of organisational and employee information.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Planning, Monitoring & Evaluation Reporting

The Planning, Monitoring, Evaluation and Reporting programme contributes directly to achieving the outcome of efficient and effective governance. During the 2025/2026 financial year, the programme recorded significant progress in strengthening institutional accountability, compliance, and performance oversight.

Key achievements include the successful submission of all quarterly performance reports within prescribed legislative timeframes, thereby ensuring continuous monitoring of organisational performance against planned targets. In addition, the programme facilitated the development and timely submission of the APP for the 2026/2027 financial year, thus enabling the organisation to initiate implementation in alignment with approved strategic priorities.

Furthermore, the programme strengthened the governance framework by reviewing and securing the Acting Chairperson of Council's approval of the Performance Information Management Policy. This policy enhancement has improved the standardisation, credibility, and reliability of performance information across the organisation.

Collectively, these achievements have enhanced transparency, improved decision-making, and reinforced compliance with regulatory requirements, thereby contributing to the broader government strategic priority of building a capable, ethical, and developmental state.

Prioritisation of Women, Youth and Persons with Disabilities

The sub-programme ensured inclusivity in its planning and reporting processes by promoting the disaggregation of performance data to reflect impact on women, youth, and persons with disabilities. This enabled more informed reporting on equitable service delivery and supported the organisation's commitment to inclusive development.

Challenges and Actions Taken to Address Them

Despite the progress made, the programme faced challenges, including delays in some business units' submission of performance information and inconsistencies in the quality of the evidence reported. To address these challenges, the programme implemented strengthened internal controls, including continuous engagement and capacity-building sessions with business units on performance reporting requirements.

Communication and Stakeholder Relations

During the 2025/26 financial year, the Communication and Stakeholder Relations sub-programme implemented strategic advocacy, awareness, and stakeholder engagement initiatives to strengthen SACE's mandate visibility, promote teacher rights, and reinforce professional ethics within the education sector.

A key milestone during the reporting period was the development and approval of the Communications and Stakeholder Strategy (2025–2030). The strategy aligns with the SACE Strategic Plan (2025–2030). It provides a structured framework for strengthening stakeholder engagement, improving the coherence of communication, and positioning SACE as a leading authority in education quality assurance. It also responds to sector challenges while promoting trust, transparency, and professional excellence within the teaching profession.

In response to growing concerns about violence against educators, SACE launched, two Teacher Safety and Security Campaigns. The campaigns focused on raising awareness of the SACE Handbook for Teachers' Safety and Security in South African Schools. Static billboards were placed across five provinces to enhance visibility and reinforce safety messaging for educators operating in school environments.

In addition, SACE implemented the #TeachersRightsAreHumanRights campaign during Human Rights Month. A key activity under this campaign was the SACE Sports and Funday event held at Fountains Valley, Pretoria, attended by more than 300 educators, student teachers, and ECD practitioners from Gauteng. The event combined wellness, recreation, and advocacy activities, including a 10km walk, sports, and networking sessions. The initiative reinforced the importance of protecting educators' dignity and rights and promoting wellness within the profession.

As part of the same campaign, SACE disseminated bulk SMS messages to all registered educators nationally. The message reinforced educators' rights and dignity, and the importance of professional respect, while also raising awareness of ongoing violence against teachers. This ensured direct and wide-reaching communication across the profession.

To strengthen ethical awareness, SACE conducted advocacy sessions on the Code of Professional Ethics for Educators. These sessions reached over 200 stakeholders, including educators, principals, school governing body representatives, and education officials. The engagements clarified ethical expectations, disciplinary processes, and categories of misconduct, including corporal punishment and sexual misconduct. In addition, more than 500 educators were reached via bulk email distribution of the Code of Ethics, thereby strengthening awareness of expected professional conduct in classrooms.

SACE also engaged with various media platforms to raise public awareness of corporal punishment, educator misconduct processes, and the Council's regulatory mandate. These engagements contributed to improved public understanding of SACE's role in maintaining professional and ethical standards within the teaching profession.

Programme 1: Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Actual Perform-ance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned to Actual Achievement (2025/2026)**	**Reasons for Deviations**
Efficient and effective governance	Council and Executive Committee (EXCO) meetings convened	1.1.1 Number of Council and EXCO meetings convened in a quarter.	10	13	13	8	-5	The Council meetings could not be convened after the 31st of July because the Council's tenure ended. The Council was only constituted in April 2026.
	Compliance with reporting frameworks and guidelines	1.1.2 Number of approved quarterly performance reports submitted to oversight authorities within 30 days after the end of the quarter.	4	4	4	4	0	N/A
	Improved employee performance	1.1.3 Percent-age of employees who achieved a satisfactory level through the perform-ance manage-ment and development system annually.	100%	99% (106/107)	60%	100/99 x100 99%	+39%	N/A

Programme 1: Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from Planned to Actual Achievement (2025/2026)**	**Reasons for Deviations**
Efficient and effective governance	Launched campaigns in all provinces	1.1.4 Number of campaigns implemented to inspire the credibility of the teaching profession (focus: corporal punishment, violence against teachers, and promoting the SACE brand).	N/A	N/A	2	2	0	N/A
	Communication and Stakeholder Relations strategy developed and implemented	1.1.5 Communication and Stakeholder Relations strategy approved by Council.	N/A	N/A	Approved Communication and Stakeholder Relations strategy	Approved Communication and Stakeholder Relations strategy	0	N/A
	Eligible creditors paid within 30 days	1.1.6 Percentage of eligible invoices paid within 30 days of receipt.	100%	100% (2552/2557)	100%	2324/2331 X100 =100%	0	N/A
	Improved ICT systems	1.1.7 Number of ICT systems implemented within a financial year (e.g. finance, research, registration, Internal Audit, communication, ethics, planning, teacher professionalism, provider management module, Microsoft Dynamics migration).	50%	75% (6/8)	11	3	-8	Delays occurred in finalising the User Requirements. Specifications (URS) for system integration.

Linking Performance with Budgets

	2024/2025			2025/2026		
Programme/ Activity/ Objective	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Administration	115 035	105 025	10 011	115 250	109 517	5 733
Total	**115 035**	**105 025**	**10 011**	**115 250**	**109 517**	**5 733**

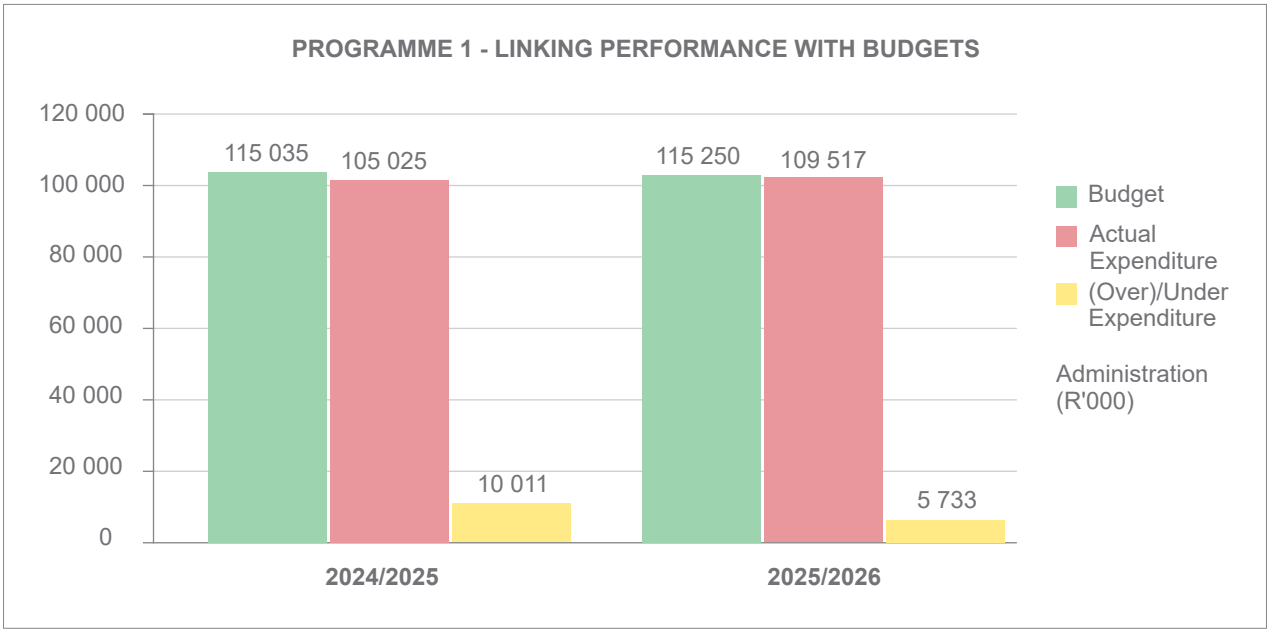


Figure 1: Programme 1 - Linking performance with budgets.

Strategy to Overcome Areas of Underperformance.

N/A

3.2. Programme 2: Professional Registration Induction and Certification

The purpose of this programme is to register qualified educators, create sub-registers for special categories, maintain and update the educator database, and enhance the quality of teacher registration by introducing standards. To implement an effective framework of professional standards that defines excellence in teaching and work-integrated learning while simultaneously developing and administering a rigorous certification process that verifies educators' competence against these standards.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

During the 2025/26 financial year, SACE continued to strengthen initiatives in professional registration, ethical compliance, and teacher professionalisation to support its mandate to maintain professional standards in the teaching profession.

Professional Registration and Fit-to-Teach Processes

Under the FTT adjudication process, SACE received 296 registration applications accompanied by police clearance certificates indicating criminal offences. Of these applications, 275 were finalised within the prescribed turnaround times, including applications relating to both minor and major offences. The remaining 14 applications were pending finalisation at the close of the reporting period and remain under active processing. The adjudication process continued to serve as an important quality assurance mechanism, safeguarding the integrity and credibility of the teaching profession by ensuring that only suitable individuals are admitted to the professional register. Following the audit recommendations, seven applicants were excluded from the reported output as their applications were finalised outside the prescribed turnaround period.

Monitoring of Schools on Educator Registration Compliance

SACE further strengthened its compliance and monitoring function via school monitoring visits conducted across all provinces. During the reporting period, 143 schools were monitored against an annual target of 108 schools, representing an overachievement of 32.4 per cent. The monitoring visits focused on verifying compliance with educator registration and identifying areas requiring corrective action. Key areas of non-compliance identified included outstanding registration fees, expired registration certificates, and the employment of unregistered individuals and student teachers in substantive teaching posts. Corrective guidance was provided to schools and educators to strengthen compliance with professional registration requirements.

Development of the ECD Professionalisation Framework

Progress was also made towards developing the ECD Professionalisation Framework, scheduled for completion by the end of the 2026/27 financial year. Key milestones achieved during the reporting period included the development of the project concept note, the appointment of a specialist service provider, the completion of the inception phase, the piloting of framework instruments, and the submission of the initial draft framework. A significant achievement during the year was securing funding support from UNICEF, which strengthened the project's sustainability and implementation capacity.

Teaching Practice Memoranda of Understanding with HEIs

In support of strengthening collaboration with HEIs, SACE successfully concluded and signed 13 Teaching Practice Memoranda of Understanding (MOU) with HEIs during the reporting period. These agreements provide a framework for strengthening collaboration on teaching practice, professional standards, and teacher preparation within Initial Teacher Education programmes.

Support to HEIs on the Code of Professional Ethics for Student Teachers

SACE also exceeded its annual target for support provided to HEIs regarding the draft Code of Professional Ethics for Student Teachers. During the reporting period, 17 HEIs were supported through consultative engagements to raise awareness of professional ethics and to obtain input from student teachers on the draft Code. These engagements contributed towards strengthening ethical awareness during the pre-service phase of teacher development and promoted broader institutional participation in the professionalisation agenda.

Table 1: Summary of Higher Education Institution Reach

No.	Higher Education Institution	Institution Type	Province / Reach
1	Vaal University of Technology	Public	Gauteng
2	University of Fort Hare	Public	Eastern Cape
3	Central University of Technology	Public	Free State
4	University of South Africa (UNISA)	Public	National (Distance Learning)
5	University of the Free State	Public	Free State
6	North-West University	Public	Northwest
7	Walter Sisulu University	Public	Eastern Cape
8	Sol Plaatje University	Public	Northern Cape
9	Rosebank College	Private	Gauteng
10	MANCOSA	Private	National (Distance Learning)
11	Regenesys Business School	Private	Gauteng
12	University of Pretoria	Public	Gauteng
13	Nelson Mandela University	Public	Eastern Cape
14	University of Mpumalanga	Public	Mpumalanga
15	University of Venda	Public	Limpopo
16	Edu-Build Private College	Private	Gauteng
17	University of Limpopo	Public	Limpopo
Total	**17 Higher Education Institutions**	**13 Public / 4 Private**	**Multi -Provincial**

Teacher Professionalisation Path Projects

To advance the Teacher Professionalisation Path, SACE implemented two projects focused on implementing PTS across pre-service and in-service teacher development environments. The projects focused on building the capacity of student teachers and lecturers. They worked with in-service teachers to implement the PTS and strengthen mentorship and induction support for NQTs through the Champion Teacher initiative. The implementation of these projects contributed towards embedding professional standards across different stages of the teacher development continuum.

Table 2: Summary of Institutional Reach — Project 1

No.	Institution	Province / Reach	Cohort / Project Focus
1	University of Johannesburg (UJ)	Gauteng	Ambassadors and Students
2	University of the Witwatersrand (Wits)	Gauteng	Ambassadors and Students
3	University of South Africa (UNISA)	National (Distance Learning)	Students and Lecturers
4	Central University of Technology (CUT)	Free State	Students and Lecturers
5	Vaal University of Technology (VUT)	Gauteng	Students and Lecturers
6	Walter Sisulu University (WSU)	Eastern Cape	Students and Lecturers
7	Sol Plaatje University (SPU)	Northern Cape	Students and Lecturers
8	Tshwane University of Technology (TUT)	Gauteng	Students and Lecturers
9	University of Limpopo	Limpopo	Students and Lecturers
10	University of Venda (UNIVEN)	Limpopo	Students and Lecturers

Contribution to Outcomes and Strategic Priorities

The achievements recorded under Programme 2 contributed directly towards SACE's strategic outcome of maintaining professional and ethical standards within the teaching profession. Through strengthened registration processes, monitoring activities, professional ethics initiatives, and the implementation of the PTS, the programme contributed to improving accountability, compliance, and professionalism within the education sector.

The programme further supported government priorities for building a capable, ethical, and developmental state by strengthening oversight, promoting ethical conduct, and enhancing public confidence in the teaching profession. In addition, initiatives such as the development of the ECD Professionalisation Framework and collaboration with HEIs contributed towards broader national priorities aimed at improving the quality of education and strengthening teacher professionalisation, as envisaged in the National Development Plan 2030.

Prioritisation of Women, Youth and Persons with Disabilities

Programme 2 initiatives continued to support the participation and development of women and youth within the education sector. The development of the ECD Professionalisation Framework is particularly significant for women, who constitute the majority of practitioners. 'The framework is expected to strengthen the professional recognition and career-development opportunities of ECD practitioners, most of whom are women.

Youth participation was supported via ongoing engagement with student teachers across HEIs, implementation of PTS ambassador initiatives, and consultative engagements on the Code of Professional Ethics for Student Teachers. These initiatives provided young student teachers with opportunities to participate in professional development and contribute to the broader teacher professionalisation agenda.

No significant challenges specific to persons with disabilities were reported during the programme's implementation. However, SACE remains committed to promoting inclusivity and equitable participation within all professional development and professionalisation initiatives.

Challenges and Corrective Measures

The programme experienced challenges related to incomplete supporting documentation submitted by some registration applicants, delays in institutional approval processes within HEIs, and instances of non-compliance identified during school monitoring visits. The key non-compliance matters identified during monitoring visits, together with the remedial actions undertaken, are summarised below.

Table 3: Non-Compliance Matters Identified During School Visits

Issue Identified	Detail / Remedial Guidance
Outstanding SACE Registration Fees	Educators with outstanding registration fees were identified during monitoring visits. Schools were reminded of their responsibility to ensure that educators maintain valid and fee-compliant SACE registration.
Expired Registration Certificates	Educators with expired registration certificates and no evidence of renewal processes were identified. Directives were issued to renew and update registration records immediately.
Employment of Student Teachers	Instances were identified in which student teachers were appointed to substantive teaching posts. Schools were advised that such appointments are irregular and inconsistent with applicable professional and regulatory requirements.
Employment of Unregistered Persons	Individuals found to be teaching without SACE registration were advised to complete the necessary qualification and registration processes before being employed as educators.

Furthermore, SACE continued to engage with applicants regarding outstanding documentation, maintained ongoing stakeholder engagement with HEIs to facilitate the finalisation of agreements, and provided remedial guidance and compliance directives to schools and educators identified as non-compliant during monitoring visits.

In conclusion, Programme 2 made significant progress during the 2025/26 financial year in strengthening professional registration, ethical compliance, teacher professionalisation, and institutional collaboration within the education sector. The programme's achievements contributed towards maintaining professional standards, strengthening public confidence in the teaching profession, and supporting the broader national objective of building a professional, ethical, and accountable education system.

Programme 2: Professional Registration Induction and Certification								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Annual Target 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned to Actual Achievement (2025/2026)**	**Reasons for Deviations**
Maintained professional standards	Registered FTT educators	2.1.1. Percent-age of eligible registration applications with criminal offences (minor/major) finalised within 14 days (minor) and 90 days (major)	N/A	N/A	80%	275/296 =93%	+13%	Regular sittings of the FTT Hearings were held, which helped ensure the timely finalisation of this process.
	Monitored schools	2.1.2. Number of schools monitored on professional registration status of employed educators in a year	N/A	N/A	108	143	+35	The planned number of school visits was exceeded due to positive responses and schools advancing the request to be monitored to ensure compliance.
	Implemented ECD practitioners/ educators Profession-alisation Framework	2.1.3. Develop-ment of profession-alisation framework for ECD practitioners/ educators by the end of 2026/27 financial year	N/A	N/A	Draft ECD practitioner s/ educators Profession-alisation Framework developed by end of financial year	Draft Profession-alisation framework for ECD developed	0	N/A

Programme 2: Professional Registration Induction and Certification								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Annual Target 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned to Actual Achievement (2025/2026)**	**Reasons for Deviations**
Maintained professional standards	Implemented teacher profession-alisation path	2.1.4. Number of teaching practice MOU established with HEIs by end of financial year	N/A	N/A	13	13	0	N/A
	Implemented teacher profession-alisation path	2.1.5. Number of HEIs supported on the Code of Professional Ethics for Student Teachers by end of financial year	N/A	N/A	15	17	+2	SACE implemented intervention strategies to address the unavailability of HEIs in certain quarters and planned additional sessions during their availability periods.
	Implemented teacher profession-alisation path	2.1.6. Number of approved projects for implementing the teacher profession-alisation path (focus areas 1–8) by end of financial year	N/A	N/A	2	2	0	N/A

Linking Performance with Budgets

	2024/2025			2025/2026		
Programme/ Activity/ Objective	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Professional Registration and Certification	5 600	2 289	3 311	7 600	6 098	1 502
Total	**5 600**	**2 289**	**3 311**	**7 600**	**6 098**	**1 502**

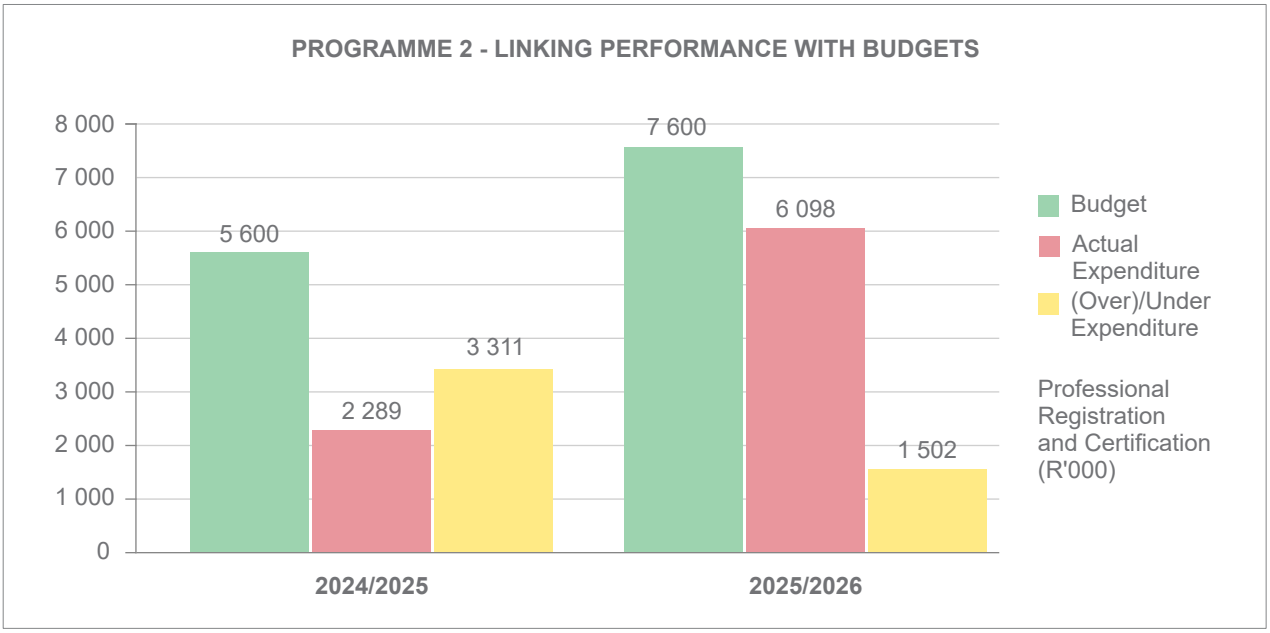


Figure 2: Programme 2 - Linking performance with budgets.

Strategy to Overcome Areas of Underperformance.

N/A

3.3. Programme 3: Ethical Standards

The purpose of this programme is to promote and maintain ethical standards in the profession.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 3 is responsible for promoting and maintaining ethical standards in the teaching profession by investigating, managing, and finalising matters of educator misconduct. During the 2025/26 financial year, the programme's primary focus was reducing backlog cases carried over from previous reporting periods, while also responding to new and urgent cases reported during the year. During the first two quarters of the 2025/26 financial year, the Council finalised 17 struck-offs. 16 of them were sent to the teacher employer in September 2025 whilst 16 were sent in May 2026.

Table 4: Number of Struck-offs Finalised

No.	Province	Name of School	Offence/s
1	Western Cape	Wesfleur Primary School	Sexual Grooming of a Learner
2	Western Cape	Vusisizwe Secondary School	Sexual Assault of a Learner
3	Western Cape	Hector Peterson Secondary School	Sexual relationship with and sexual assault of a learner
4	KwaZulu-Natal	Buhlebethu Secondary School	Sexual grooming of, proposing love to and sexual assault of a learner
5	Western Cape	Jupiter Street Primary School	Indecent Assault towards Learners
6	Gauteng	Easterust Secondary School	Assault of a Learner
7	Limpopo	Khaiso High School	Examination Fraud
8	Mpumalanga	Thandanani Primary School	Examination Fraud
9	Mpumalanga	Thandanani Primary School	Examination Fraud
10	Eastern Cape	Sive Special School for the Deaf	Sexual Assault of Learners
11	Gauteng	Boitumelo Secondary School	Sexual Assault of a Colleague
12	Western Cape	St Paul's Primary School	Assault of Learners and Verbal Abuse towards Learners
13	Mpumalanga	Nganana Secondary School	Failure to Report Severe Assault of a Learner
14	Gauteng	Phahama Secondary School	Sexual Harassment of Learners
15	Northern Cape	Ratang Thuto High School	Sexual Harassment of a Learner
16	KwaZulu-Natal	Damorosa Pre-Vocational School	Sexual Harassment of a Learner
17	Western Cape	De Villiers Primary School	Sexual relationship and communication with a learner

The programme's key focus area during this period was processing backlog cases carried over from previous years. During the reporting period, a total of 384 rolled-over cases were processed through investigations and mediations, with recommendations submitted to the Ethics Committee for ratification. A significant number of these matters progressed to the disciplinary hearing stage and remain under active processing. The programme further finalised 91 disciplinary hearings relating to rolled-over cases, all of which were ratified by the Ethics Committee and considered finalised.

Contribution to Outcomes and Strategic Priorities

The achievements recorded under Programme 3 contributed directly towards SACE's strategic outcome of maintaining ethical standards within the teaching profession. Through investigations, disciplinary processes, and compliance with legislative obligations, the programme strengthened accountability and reinforced ethical conduct within the sector.

The programme further contributed to government priorities in learner protection, ethical governance, and the creation of safe learning environments within schools. The prioritisation of serious misconduct cases involving children aligned with broader national priorities to safeguard the rights and wellbeing of learners.

The submission of sanctions to employer departments and the National Child Protection Register further strengthened intergovernmental collaboration and supported compliance with statutory and regulatory frameworks governing educator conduct.

Challenges and Corrective Measures

The programme experienced ongoing challenges with witness tracing and availability, delays in obtaining parental consent to interview learners, and reluctance among complainants and other stakeholders to participate in disciplinary processes. These factors continued to impact the timely finalisation of some cases.

Additional delays were experienced in matters subject to appeal processes, particularly those requiring submission to the Department of Social Development for inclusion in the National Child Protection Register. The increasing number of misconduct cases reported to SACE, coupled with limited human resource capacity within the programme, also placed pressure on investigation and disciplinary processes during the reporting period. To mitigate these challenges, the programme continued to prioritise serious and urgent matters, strengthen follow-up processes during investigations, and improve coordination with relevant stakeholders and institutions involved in disciplinary proceedings.

Programme 3: Ethical Standards								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Actual Perform-ance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned Target**	**Reasons for Deviations**
Maintained ethical standards	Finalised rolled-over investigations and hearings	3.1.1 Number of rolled-over cases finalised through investigations and/or mediations and/or ETHCOM recommend-ations in a financial year	N/A	N/A	600	384[1]	-216	The target was not achieved due to inadequate staffing, which limited the invest-igation and resolution of complaints, and external factors hind-ered case processing.
	Finalised rolled-over investigations and hearings	3.1.2 Number of rolled-over disciplinary hearings/ cases finalised after ratification by ETHCOM (as delegated by the Council) in a year.	N/A	N/A	120	91[2]	-29	The target was not achieved due to inadequate personnel, which limited the finalisation of hearings, and external factors hindered the processing of cases.
	Monitoring of sanctions to ensure enforcement	3.1.3 Percent-age of finalised sanctions submitted to teacher employers for enforcement after the appeal process within a year.	N/A	N/A	100%	1/17x100 =6%	-94%	The sanctions were finalised in the 2025/26 financial year; however, 16 of them were only sent in the 2026/27 financial year. The reason for the late submission is the external appeal process, which has been significantly delayed.

[1] Indicators 3.1.1 and 3.1.2 output is finalised for quarter 3 and 4 administratively by the Accounting Authority, pending the court interdict.
[2] Indicators 3.1.1 and 3.1.2 output is finalised for quarter 3 and 4 administratively by the Accounting Authority, pending the court interdict.

Programme 3: Ethical Standards								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Actual Perform-ance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned Target**	**Reasons for Deviations**
	Monitoring of sanctions to ensure enforcement	3.1.4 Percent-age of relevant sanctions submitted to the Department of Social Development's National Child Protection Register in a year.	N/A	N/A	100%	11/11 x100 =100%	0	N/A
	Screened SACE caseload	3.1.5 Percent-age of cases referred to other institutions in a financial year.	N/A	N/A	100%	7/7x100 =100%	0	N/A

Linking Performance with Budgets

	2024/2025			2025/2026		
Programme/ Activity/ Objective	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Ethical Standards	13 800	5 074	8 726	11 800	7 825	3 975
Total	**13 800**	**5 074**	**8 726**	**11 800**	**7 825**	**3 975**

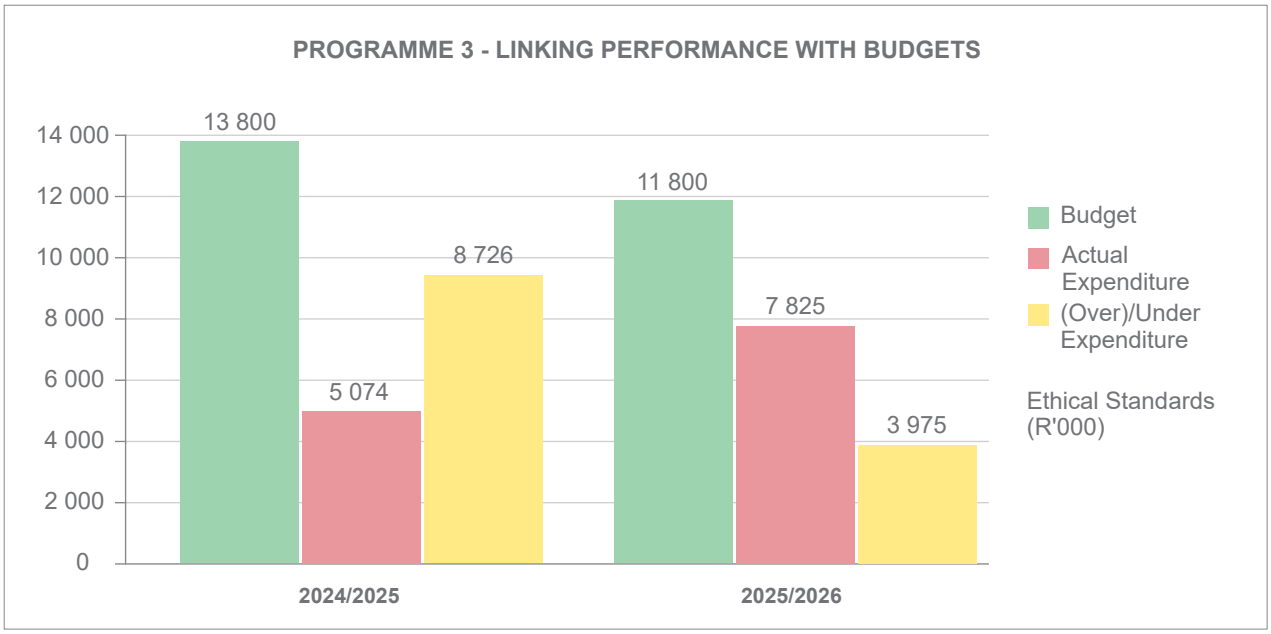


Figure 3: Programme 3 - Linking performance with budgets.

Strategy to Overcome Areas of Underperformance.

To address the underperformance identified during the reporting period, Programme 3 proposed several strategic and operational interventions to strengthen case management processes, reduce backlogs, and improve the overall efficiency of disciplinary processes.

The programme identified the need for additional financial and human resource capacity to improve the processing and finalisation of misconduct cases. Increasing staff capacity within the Ethics Division will strengthen investigation and disciplinary processes and improve turnaround times in managing the growing volume of cases reported to Council.

The organisation is also considering decentralising ethics functions to improve accessibility and operational efficiency. Currently, disciplinary processes are largely coordinated from the Head Office in Gauteng, resulting in logistical and administrative delays when matters originate from other provinces. A decentralised approach would improve responsiveness, reduce travel-related delays, and strengthen provincial support in the management of misconduct matters.

The programme further identified the need to review the Code of Professional Ethics to clarify matters within SACE's jurisdiction and to reduce the number of complaints that may be more appropriately dealt with through employer processes or other institutional mechanisms.

To improve coordination and avoid duplication of disciplinary processes, the organisation intends to strengthen consultative engagements with the DBE and Provincial Education Departments regarding the categorisation and management of cases that should primarily be addressed at employer level.

The Disciplinary Committee will also explore mechanisms to improve the management of cases with limited prospects of success, including those in which employers have already imposed disciplinary sanctions for minor transgressions. This approach is intended to support backlog reduction, improve case prioritisation, and minimise unnecessary financial and administrative costs.

In addition, the programme identified the need for legislative amendments to the South African Council for Educators Act, 2000, particularly regarding the implementation of Section 23(3), which relates to educators declared unfit to work with children by decisions of the Education Labour Relations Council and other state institutions. Strengthening legislative provisions in this area would improve alignment between SACE disciplinary processes and external disciplinary outcomes.

The programme also recommended strengthening legislative provisions to enforce sanctions imposed by SACE, particularly those involving removal from the educators' roll for a specified or indefinite period, to ensure consistent implementation by employer institutions. The programme will continue to intensify advocacy and awareness initiatives relating to ethical standards and professional conduct to strengthen understanding of the Code of Professional Ethics and promote ethical behaviour across the teaching profession.

3.4 Programme 4: Professional Development, Quality Management, and Assurance

Purpose: Provision of quality professional development programmes.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 4 continued to advance the provision and quality management of professional development initiatives aimed at strengthening educator competence and promoting lifelong professional learning within the teaching profession.

During the 2025/26 financial year, the programme exceeded its annual target for the number of educators supported on professional matters in selected districts. Against an annual target of 20 000 educators, a total of 20 140 educators were supported through various professional development initiatives implemented across provinces. The achievement was realised through collaborative efforts between provincial stakeholders and SACE officials, with support from Head Office to provinces with coordinator capacity constraints. The support provided to educators focused on professional development aligned with SACE's mandate and strengthened professional practice within the sector.

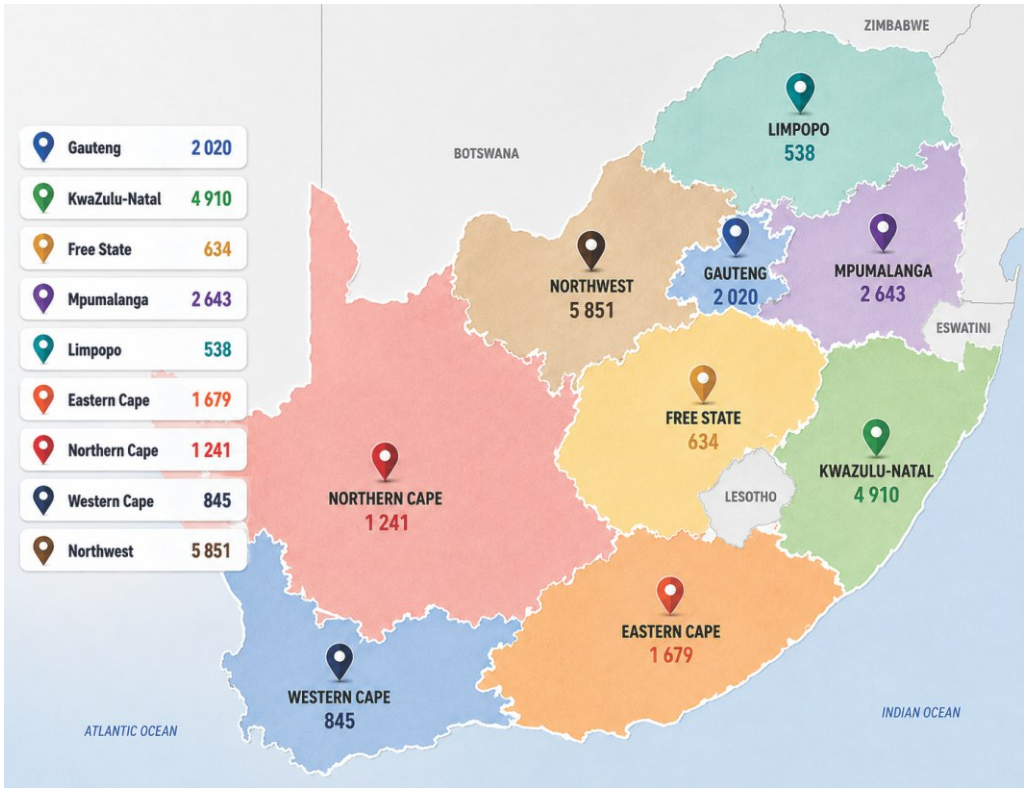


Figure 4: Total Number of Educators supported on Professional Matters Within Selected Districts

Approved Providers Offering ECD and Grade R Programmes

In fulfilling its responsibility for the quality management of CPTD, the programme continued to assess and approve teacher development providers that offer ECD and Grade R programmes. During the reporting period, 46 providers met the approval criteria, representing 34 per cent of submitted applications. The approval process focused on assessing the relevance of the programmes offered and the facilitators' capability to deliver high-quality professional development interventions. The programme further observed increased participation by providers from the Western Cape Province, thereby reflecting growing sector interest and participation in professional development provisioning.

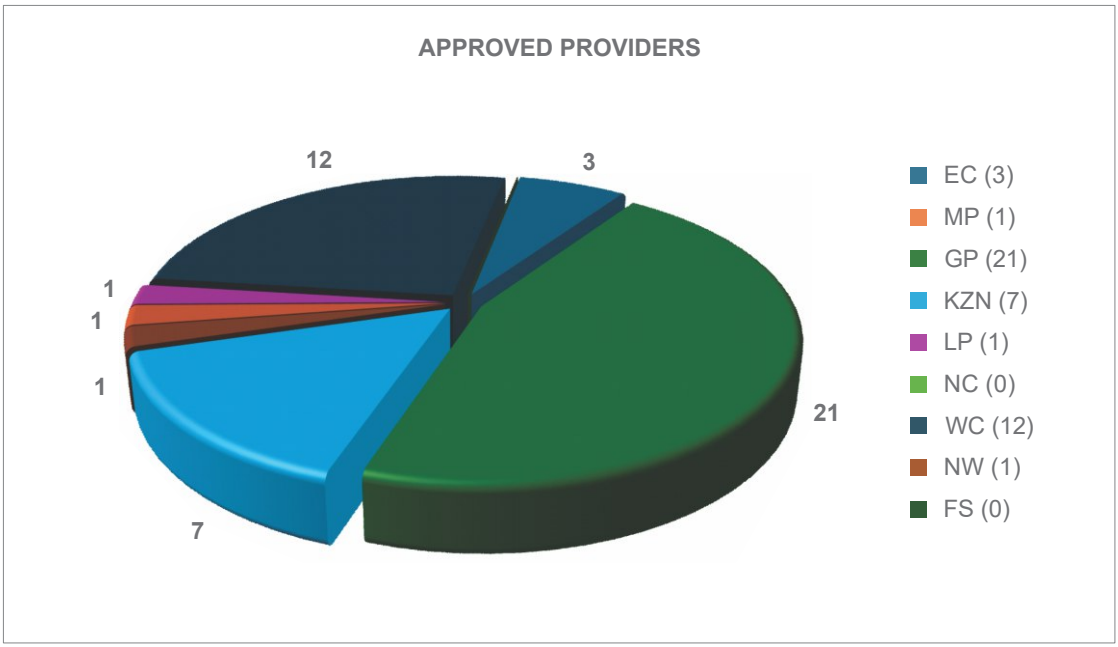


Figure 5: Approved Providers offering ECD and Grade R Programmes

Professional Development Programmes and/or Activities Endorsed.

The programme also continued to strengthen alignment between professional development programmes and PTS. During the reporting period, 84 per cent of the professional development programmes and activities submitted for endorsement were aligned with one or more of the PTS, ranging from PTS 1 to PTS 10.

Most endorsed programmes were aligned with the 'Teachers Build Communities' strand, particularly PTS 1-4. Ongoing collaboration with the Professional Registration and Certification Division assisted providers to improve understanding of PTS and strengthen alignment of professional development programmes across the broader spectrum of standards.

Monitoring of Endorsed Professional Development Programme Sessions Per Year

In relation to the monitoring of endorsed Professional Development programme sessions, the programme successfully met its annual monitoring target through strengthened engagement with approved providers and collaboration with teacher unions. Approved providers were continuously encouraged to communicate scheduled workshop sessions to enable SACE observation and quality assurance processes.

Consequently, 50 endorsed Professional Development programme sessions were monitored during the reporting period. The monitoring process assessed, among other things, the relevance of activities to the target audience, the quality of facilitation, and participant feedback.

Monitoring activities further revealed strong participation by women educators, particularly within programmes focusing on ECD and Foundation Phase education. Many of the observed programmes focused on equipping educators to identify and support learners experiencing barriers to learning, including those with autism and other learning challenges, thereby contributing to inclusive education and learner support.

The programme further observed that educator participation in professional development activities was higher during Quarter 2 and Quarter 4 of the financial year, which appeared to align more effectively with the academic calendar and minimise disruption to examination preparation periods. This observation will inform planning and scheduling of future professional development activities.

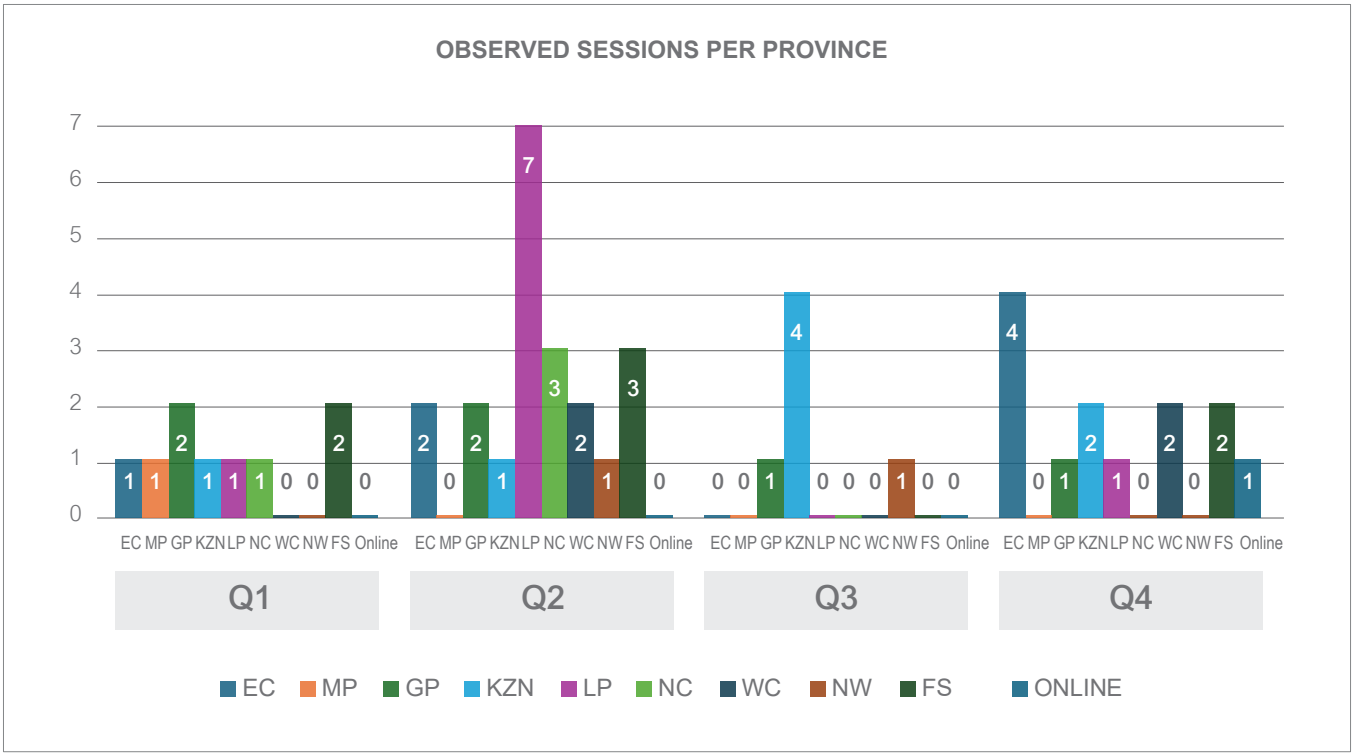


Figure 6: Observed sessions per province

Contribution to Outcomes and Strategic Priorities

The achievements recorded under Programme 4 contributed directly towards SACE's strategic objective of promoting teacher professional development and strengthening the quality of professional learning opportunities available to educators.

Through support for educators, the endorsement and monitoring of professional development programmes, and the quality assurance of approved providers, the programme contributed to improving educator competence, strengthening professional practice, and promoting lifelong learning within the teaching profession.

The programme further supported national priorities to improve the quality of education and strengthen educator capacity, as envisaged in the National Development Plan 2030. The alignment of professional development programmes to the PTS further contributed towards institutionalising professional standards within teacher development initiatives across the sector.

In addition, professional development initiatives focusing on inclusive education and learner support contributed towards broader government priorities aimed at ensuring equitable access to quality education and improving learner support within schools.

Prioritisation of Women, Youth and Persons with Disabilities

Programme 4 initiatives continued to support women educators, particularly those within the ECD and Foundation Phase sectors, where women constituted the majority of participants in monitored professional development activities.

Professional development programmes observed during the reporting period also focused on strengthening educator capacity to identify and support learners experiencing barriers to learning, including learners with autism and other learning challenges. These initiatives contributed towards promoting inclusive education practices and supporting the educational needs of learners with disabilities.

Furthermore, the programme contributed towards youth development via professional development initiatives aimed at strengthening educator capacity within the schooling sector, thereby improving the quality of teaching and learning environments that directly impact young learners.

Challenges and Corrective Measures

The programme experienced challenges relating to the communication of scheduled workshop sessions by approved providers, which had previously affected its ability to conduct monitoring and observation of endorsed professional development activities.

To address this challenge, SACE will strengthen engagement with approved providers and emphasise adherence to the Code of Good Practice, particularly the requirement to communicate scheduled workshop sessions for monitoring purposes. Collaboration with teacher unions further facilitated access to professional development sessions and helped achieve the annual monitoring target.

The programme also identified variations in participation levels across financial quarters. Observations from the reporting period indicated that educator participation was generally higher during Quarter 2 and Quarter 4, which appeared to minimise disruption to school assessment and examination activities. This finding will inform future planning and scheduling of professional development activities.

Lastly, Programme 4 made significant progress during the 2025/26 financial year in strengthening professional development, quality management, and assurance within the education sector. The programme's achievements contributed to improving educators' competence, strengthening alignment with the PTS, and promoting inclusive, high-quality professional development opportunities for educators nationwide.

Programme 4: Professional Development, Quality Management, and Assurance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from Planned Target**	**Reasons for Deviations**
Quality Management of Professional Development Provisioning	Educators supported on professional matters.	4.1.1 Number of educators supported on professional matters in selected districts in a financial year.	30 000	31 808	20 000	20 140	+140	The over-achievement was attributable to collaborative support provided by Head Office officials to provinces experiencing coordinator capacity constraints, which strengthened implementation and enabled additional educator support interventions during the reporting period.
	Approved professional development providers.	4.1.2 Percentage of approved providers offering ECD and Grade R Programmes.	N/A	N/A	30%	46/136 x100 = 34%	+4%	Ongoing advocacy and support provided to prospective providers by provincial coordinators. Additional support was provided to providers to improve compliance with SACE approval requirements and endorsement criteria.
	Quality provisioning of endorsed professional development programmes.	4.1.3 Percentage of professional development programmes and/or activities endorsed in line with one or more PTS in a financial year.	N/A	N/A	40%	1265/1508 x100 =84%	+44%	The over-achievement was due to an increase in the number of professional development programmes and activities submitted by

Programme 4: Professional Development, Quality Management, and Assurance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Perform-ance 2023/2024**	**Audited Actual Perform-ance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achieve-ment 2025/2026**	**Deviation from Planned Target**	**Reasons for Deviations**
								approved providers for endorsement, in alignment with the PTS.
	Quality provisioning of endorsed professional development programmes.	4.1.4 Monitor-ing of endorsed Professional Development programme sessions per year.	10	19	50	50	0	N/A

Linking Performance with Budgets

	2024/2025			2025/2026		
Programme/ Activity/ Objective	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Professional Development	21 434	20 799	635	25470	23 941	1 529
Total	**21 434**	**20 799**	**635**	**25470**	**23 941**	**1 529**

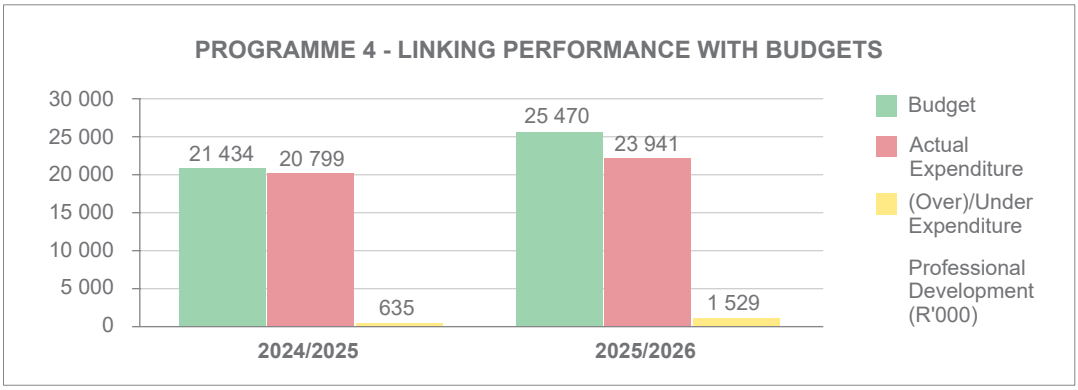


Figure 7: Programme 4 - Linking performance with budgets.

Strategy to Overcome Areas of Underperformance.

N/A

3.5. Programme 5: Research and Policy Coordination

Purpose: To improve research coordination within SACE to strengthen its advisory role and service that is informed by policy, research, and consultative processes.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

During the financial year, the Research and Policy Coordination function made significant progress towards its planned targets, contributing to evidence-based policy development, professional learning, and sector transformation in the education sector. Three research reports were successfully produced and published in accredited academic journals, addressing critical issues affecting the teaching profession, including educator misconduct and the psychological impact experienced by investigators handling sensitive cases. These research outputs contributed towards strengthening professional ethics, improving educator accountability, and supporting informed policy dialogue within the sector.

Research dissemination initiatives further enhanced the utilisation of research findings. A dissemination seminar was hosted to share key findings with stakeholders. At the same time, a policy brief on teacher sexual misconduct was circulated to institutions, including the DBE, and to academic stakeholders to support policy development and sector interventions. These initiatives contributed to government priorities relating to ethical governance, the professionalisation of teaching, and improved education outcomes. The function also strengthened knowledge management and educators' access to learning resources by enhancing the virtual library platform and acquiring additional digital learning materials.

Awareness campaigns conducted during stakeholder engagements increased the platform's visibility and accessibility. In support of educator development and digital learning, SACE implemented the Teaching STEAM with Virtual Labs project, which registered 1,788 participants, including 1,245 females and 539 males, demonstrating a strong commitment to gender inclusion and women's participation in STEM-related initiatives. The programme also provided professional development opportunities for teachers, subject advisers, and district officials via orientation sessions, webinars, and exhibitions.

The hosting of provincial teacher-practitioner research colloquiums in Free State, Mpumalanga and KwaZulu-Natal also contributed to strengthening professional collaboration, research engagement and knowledge sharing among educators and stakeholders. Furthermore, progress was made in establishing governance and policy frameworks to support the development of the SACE research journal and to sustain long-term institutional research capacity.

Despite these achievements, several challenges affected programme implementation and participation levels. These included limited internet access, varying levels of digital literacy and time constraints experienced by educators. To address these challenges, SACE introduced corrective measures, including weekly technical support webinars, targeted stakeholder engagement, and plans to expand mentorship programmes and digital support interventions to improve participation and completion rates.

Prioritisation of Women, Youth and Persons with Disabilities

In prioritising designated groups, the programme demonstrated a clear focus on women via the strong participation of female educators in the STEAM initiative. The programme also promoted inclusive participation across diverse learning areas, including inclusive education and gender in STEM. However, limited digital access and varying technological capabilities continued to affect participation for some educators, particularly those in under-resourced environments. To mitigate these barriers, SACE continues to strengthen digital support, increase stakeholder awareness, and explore inclusive interventions to improve access and participation for women, youth, and persons with disabilities in future programmes and initiatives.

Programme 5: Research and Policy Coordination								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/2025**	**Planned Annual Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from Planned Target**	**Reasons for Deviations**
Improved evidence-based advisory role.	Quality research reports executed and disseminated.	5.1.1 Number of research reports produced within a financial year.	2	3	2	3	+1	The target was exceeded due to enhanced research output capacity during the reporting period, which enabled the production and publication of an additional peer-reviewed research report beyond the annual target.
	Quality research reports executed and disseminated.	5.1.2 Number of research reports disseminated to the profession and stakeholders.	N/A	N/A	2	3	+1	The target was exceeded due to the additional research output it produced during the year. It expanded dissemination activities across multiple stakeholder engagement platforms, which increased the reach of research findings beyond the initial dissemination plan.

Linking Performance with Budgets

	2024/2025			2025/2026		
Programme/ Activity/ Objective	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Research	1 340	1 343	-3	4 760	3 562	1 198
Total	**1 340**	**1 343**	**-3**	**4 760**	**3 562**	**1 198**

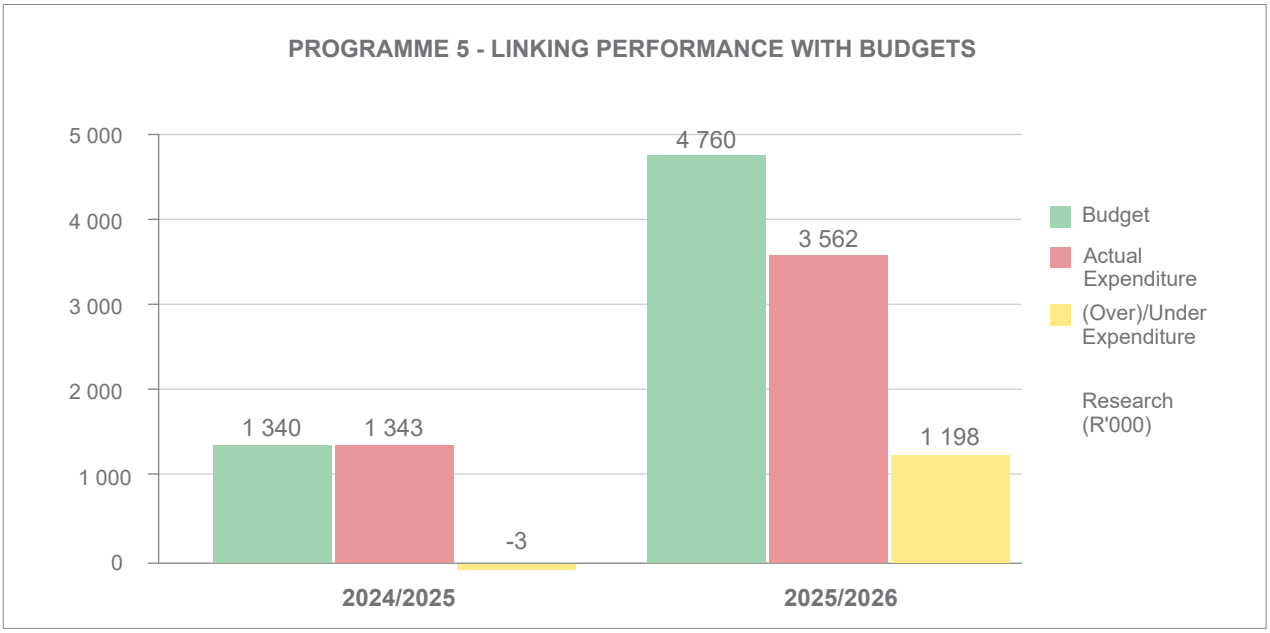


Figure 8: Programme 5 - Linking performance with budgets.

Strategy to Overcome Areas of Underperformance.

N/A

4. REVENUE COLLECTION

	2024/2025			2025/2026		
Sources of revenue	**Estimate** R'000	**Actual Amount Collected** R'000	**(Over)/Under Collection** R'000	**Estimate** R'000	**Actual Amount Collected** R'000	**(Over)/Under Collection** R'000
Registration; reprints & Reinstatement	25 016	20 144	-4 872	25 000	31 684	6 684
Recoveries	0	15	15	40	35.3	4.7
Other income	0	103	103	200	203	3
Interest received	8 000	9 032	968	9 000	8 919	0.81
CPTD Government Grant	16 434	16 434	0	17 170	17 170	0
Membership fees	101 558	97 737	3 821	104 110	101 728	2 382
Fines	800	1 644	844	800	664	136
Total	151 808	147 760	-4 048	156 320	160 403.3	4 083.3

5. CAPITAL INVESTMENT

	2024/2025			2025/2026		
Infrastructure projects	**Budget** R'000	**Actual Expenditure** R'000	**Over/Under Expenditure** R'000	**Budget** R'000	**Actual Expenditure** R'000	**Over/Under Expenditure** R'000
Planned investments	25 500	2 543	22 957	0	1 618	1 618
Loss on disposals	0	32	32	0	-20.8	-20.8
Loss due to theft	0	0	0	0	0	0

Figure 9: Capital Investment - Planned Investments and Loss on disposal.

PART C

GOVERNANCE

1. INTRODUCTION

Corporate governance encompasses the processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements set out in a public entity's enabling legislation and the Companies Act, corporate governance for public entities is guided by the precepts of the PFMA. It runs in tandem with the principles contained in the King's Report on Corporate Governance. Parliament, the Executive Authority and the Accounting Authority of the public entity are jointly responsible for corporate governance.

2. PORTFOLIO COMMITTEES

Date	Topic for Discussion	Matters raised by the committee	How the entity addressed the matters raised
24 April 2025	APP 2025/26	Matters highlighted were: • Issues of sexual misconduct • SACE turnaround time in dealing with cases • Filling of vacant positions	Response provided in writing
07 October 2025	Annual Report 2024/25 Budgetary Review and Recommendation Report (BRRR)	• Issue of professional development • How SACE strategy is aligned with the targets • Processing of cases and advocacy campaigns	Response provided in writing
04 November 2025	SACE and Education, Labour Relations Council (ELRC)	The reporting of cases to SAPS	Response provided in writing
11 November 2025	Statutory inquiry	Reporting of cases and advocacy issues	Response provided in writing

3. EXECUTIVE AUTHORITY

Date	Document	Comments by the Executive Authority
31 July 2025	Quarter 1 2025/26 report	Analysis of Quarter 1 was received in writing.
31 August 2025	Annual Report 2024/25	N/A
09 September 2025	First Budget adjustment	SACE to explain the reasons for the adjustment.
31 October 2025	Quarter 2 2025/26 performance report and draft APP 2026/27	A detailed analysis of the APP and QPR 2 was communicated.
31 January 2026	Quarter 3 2025/26 performance report and final APP 2026/27	QPR 3 gaps with outstanding narrative for one province were communicated and corrected on the spot. The Minister requested that corrections be made to her APP statement.
02 March 2026	Second Budget adjustment	The Executive Authority raised numerous issues, including that the approval was confined to its scope.

4. ACCOUNTING AUTHORITY/COUNCIL

Introduction

The SACE is established under the South African Council for Educators Act, 2000 (Act No. 31 of 2000) to regulate and promote the teaching profession in South Africa. The Council serves as the organisation's Accounting Authority. It is responsible for providing strategic leadership, governance oversight and policy direction to ensure that the organisation effectively fulfils its legislative mandate.

The Council plays a critical role in safeguarding the integrity, professionalism, and ethical standards of the teaching profession. In fulfilling its oversight responsibilities, the Council ensures that the organisation remains accountable, transparent and responsive to the needs of educators, learners and the broader public.

The Council is therefore accountable for the overall performance, governance, and strategic direction of SACE, including ensuring alignment among organisational activities, legislative requirements, and national education priorities.

The Council, as an Accounting Authority, has the core responsibility of ensuring proper financial and fiduciary duties and preventing irregular expenditure by implementing effective and efficient control and accounting systems in the best interests of the Public entity, in line with the prescripts of the PFMA. Section 51 of the PFMA defines the role of the Council/Accounting Authority.

In line with the PFMA's prescripts, the Council is responsible for ensuring the following:

- Registering fit-to-practise educators and lecturers to uphold the professional status and credibility of the teaching profession.
- Promoting and supporting CPTD to enhance the quality of teaching and learning.
- Upholding and enforcing the Code of Professional Ethics for Educators.
- Advocating for continuous professional learning and development within the education sector.
- Managing the CPTD system.
- Accrediting professional development providers and programmes to ensure quality and relevance.
- Recording and monitoring educators' participation in professional development activities; and
- Investigating and addressing breaches of professional ethics and educator misconduct.

Through training and monitoring of these responsibilities, SACE helps protect the interests and welfare of learners and the public, while strengthening the status, professionalism, and accountability of the teaching profession in South Africa. The EXCO is responsible for overseeing the implementation of Council decisions and reports directly to the Council. To strengthen governance and oversight, the Council has established various committees that are responsible for specific functional areas of the organisation.

These committees consider matters within their respective areas of responsibility and make recommendations to the EXCO and Council for consideration and final approval. The committees are chaired by Council members serving on the EXCO, thereby ensuring alignment between governance oversight and operational implementation.

Council Charter

The Council adopted the Council Charter on 28 July 2022. The Charter defines the governance framework and the Council's roles and responsibilities in fulfilling its statutory mandate as the Accounting Authority of the SACE. In accordance with good governance practices, the Charter is reviewed every two years or as and when amendments are considered necessary. During the period under review, no amendments were made to the Charter, and the Council remained committed to implementing its provisions to ensure sound governance and effective oversight of the organisation.

The Accounting Authority/Composition of the Council

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Mr Lucky Goodman Mabutho Cele	Chairperson	1 August 2021	31 July 2025	Secondary Teachers' Diploma, Diploma in Labour Law, Certificate in Project Management. Advanced Certificate in Education. - Professional Development and B.Ed. Honours – Education. Management. Master's in Education – Leadership. Management and Policy, currently reading for a Master's Degree – Public Management and Administration.	Education and Organised Labour	SADTU-SACCO, Old Mutual Education Trust (OMET), AFTRA.	N/A	1 Council 3 EXCO
Mr Nkosiphendule Ntantala	Deputy Chairperson of Council: Chairperson Ethics Committee	1 August 2021	31 July 2025	BA (Ed).	Education and Organised Labour		Ethics Committee Finance Committee EXCO	3 ETHCOM 1 COUNCIL 3 FINCO 3 EXCO
Ms Veronica Hofmeester	Chairperson of PRODCO	1 August 2021	31 July 2025	BA. B. ED. M. ED	Education and Organised Labour		Ethics Committee Finance Committee EXCO	3 EXCO 2 PRODCO 1 COUNCIL
Dr Louis H. Swanepoel	Chairperson of TEPCO	1 August 2021	31 July 2025	B. Comm, HED, B. Comm (Honours - Economics), M. Comm (Economics), PhD, (Educational Management)	Education and School Leader-ship	South African Education Foundation. South African Comprehensive Assessment Institute (SACAI).	Teacher Professionalisation Executive Committee	1 COUNCIL 2 EXCO 1 TEPCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Mr Elphus Maseko	Member	1 August 2021	31 July 2025	Bsc	Strategic Manage-ment	Land surveying.	Registration, Advocacy and Communications Committee	1 REGCO 2 ADVOCCO 1 COUNCIL
Dr Hendrik Jaco Deacon	Member	1 August 2017	31 July 2025	LLB (University of the Orange Free State). LLM (University of The Orange Free State). LLD (University of Free State).	Education & Labour law	Director of the Afrikaanse Onderwys Netwerk. Trustee at Education Development Trust. Trustee at the Rapport Onderwys fonds. Trustee at Fiche Klub 200. Trustee of two family trusts.	Ethics Committee	2 ETHCOM 1 COUNCIL
Mr John William Bester	Member	1 August 2021	31 July 2025	Higher Diploma in Education.	School Manage-ment	Michael Mount Waldorf School, Southern African Federation of Waldorf Schools Bryanston, Organic and Natural. Market European Council of Waldorf Schools, South African Council of Educators, National Alliance of Independent Schools.	Professional Development Committee	2 PRODCO 1 COUNCIL

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Prof Lesley Le Grange	Member	1 August 2021	31 July 2025	PhD in Science/ Environment Education, MED in Science Education, B.Ed.	Education		Teacher Professionalisation Committee	1 COUNCIL 1 TEPCO
Dr Jenny Joshua	Member	1 August 2021	31 July 2025	D.Ed, M. Ed in Orthopedagogics, MA in English language teaching, B.Ed., BA Education Diploma.	Education Research		Professional Development and Registration Committee	1 COUNCIL 1 REGCO 2 PRODCO
Ms Gaylin Wendy Bowles	Chairperson: Registration Committee	1 August 2021	31 July 2025	H. Dip Ed Bachelor of Arts FDE – CAE – Advanced Certificate in Education – Leadership and Management. -	Education and School Leader-ship	PCEO NAPTOSA Gauteng and Limpopo Member of NAPTOSA National EXCO	Registration Committee and EXCO	2 REGCO 3 EXCO 1 COUNCIL
Ms Nolitha Mboniswa	Member	1 August 2021	31 July 2025	Advanced Programme in Human Resource Management, Certificate in Sports Management, Project Management, Higher Diploma in Education, BA	Education and School Leader-ship	ETDP SETA	Advocacy and Communication, Ethics Committees	3 ETHCOM 2 ADVOCCO 1 COUNCIL
Mr Tseliso Ledimo	Member	1 August 2021	31 July 2025	BA Education; Hon BA Psychology; Project management; Cert in financial & accounting principles for public entities; Labour law in Education.	Education and School Leader-ship	Matthew Goniwe School of Leadership and Governance Board.	Advocacy and Communication	2 ADVOCCO 1 COUNCIL
Ms Lindiwe Motshwane	Member	1 August 2021	31 July 2025	Senior Teachers Diploma, ACE, Postgraduate Diploma in Public Management.	Education and Organised Labour		Finance Committee, Risk and Audit Committee	3 FINCO 1 COUNCIL 3 R&A

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Nomarashiya Caluza	Member	1 August 2021	31 July 2025	SPTD; Advanced Dip in Practical Labour Law; ACE.	Education and Organised Labour		Registration and Teacher Professionalisation Committees	1 COUNCIL 1 REGCO 1 TEPCO
Mr Mokholoane Samuel Moloi	Member	1 August 2021	N/A31 July	STD(Tech); FDE.	Education and Organised Labour		Staffing Committee	0 COUNCIL 2 STAFFCO 3 FINCO
Mr Sewele Sowell Tjebane	Member	1 August 2021	31 July 2025	Bachelor of Laws (LLB), Cert Political Economy of Labour. Advanced Certificate in Education Programme in Life Orientation. Secondary Teacher's Diploma.	Education and Organised Labour		Staffing Committee Ethics Committee	1 Council 2 STAFFCO 3 ETHCOM
Mr Walter Hlaise	Chairperson: Staffing Committee	1 August 2021	31 July 2025	Secondary Education Dip; ACE; Hon BA. Advanced cert in labour law.	Education and Organised Labour		Staffing Committee and EXCO	2 STAFFCO 1 COUNCIL 2 EXCO
Mr Sello Sethusha	Member	1 August 2021	31 July 2025	Dip in Education; BA; B. Ed; B.Tech in Human Resources Management.			Registration and Professional Development	1 REGCO 2 PRODCO 1 COUNCIL
Mr Siphiwe Dlamini	Member	3 October 2022	31 July 2025	PTC; Primary Teacher's Diploma; Further Diploma in Education. Bed Honours.	Education and Organised Labour		Registration Committee and Ethics Committee	1 REGCO 2 ETHCOM 0 COUNCIL
Ms Cheryl Weston	Member	1 August 2021	31 July 2025	B. Ed, Hon (ICT) IN Education; ACE. Higher Diploma in Education.			Teacher Professionalisation Committee	1 TEPCO 0 COUNCIL

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Faseega Solomon	Member	1 August 2021	31 July 2025	Diploma in Education, Senior Primary Education, Bachelor of Education, Higher education Diploma, Bachelor of Arts.	Education and Organised Labour		Professional Development and Teacher Professionalisation Committees	2 PRODCO 1 TEPCO 0 COUNCIL
Ms Brenda Mbatha	Chairperson of ADVOCCO	1 July 2019	31 July 2025	Junior Primary Teachers Diploma, Higher Diploma in Education, Bed. Diploma in Human Resource Management.	Education and Organised Labour		Staffing Committee and Advocacy and Communications Committee EXCO	2 STAFFCO 2 ADVOCCO 3 EXCO 1 COUNCIL
Mr George Themba	Chairperson for FINCO	1 August 2021	31 July 2025	University Diploma in Education (Secondary). National Higher Diploma in Education Management, Bed Honours, Project management in education, ACE in School, Leadership, E-school, Law for Educators, Certificate-Finance for Non-Managers Programme.	Education and Organised Labour	Non-executive Director; SIHOLD	Finance Committee and EXCO	3 FINCO 3 EXCO 1 COUNCIL
Mr Mkhuseli Dubula	Member	1 August 2021	31 July 2025	BA in Education. Certificate in Labour Law in Education.	Education and Organised Labour		Professional Development Committee	2 PRODCO 1 COUNCIL
Ms Sibongile Kwazi	Member	27 July 2023	31 July 2025	Postgraduate Diploma in Public Management. B. Tech in Education Management. Primary Teachers Diploma.	Education and Organised Labour		Ethics Committee, Registration Committee	1 COUNCIL 1 REGCO 3 ETHCOM

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Ntombodumo Maqashalala	Member	28 November 2023	31 July 2025	Bachelor of Education, Honours College Higher Education Diploma	Education and Organised Labour		Registration Committee Advocacy and Communication	0 COUNCIL 1 REGCO 2 ADVOCCO
Ms Palesa Nqumashe	Member	28 November 2023	31 July 2025	Advanced Labour Law programme. Extra-Curricular Diploma in Labour Law in Education Sector. Advanced Certificate in Education Management and Policy, Further Diploma in Remedial Education. Primary Teachers Diploma N4. Personnel Management.	Education and Organised Labour		Teacher Professionalisation Committee	0 COUNCIL 1 TEPCO
Dr Sandy Malapile	Member	June 2024	31 July 2025	Doctoral: Instructional Design & Technology Master's Degree. Instructional Design & Technology Honours Degree. Education Management BA Degree. Education, Matric.	Education			1 REGCO 3 FINCO 1 COUNCIL

Committees

Council Committees

Committee	No. of meetings held	No. of members	Name of members
STAFFCO	4	5	Mr B. W Hlaise Mr S Tjebane Ms B Mbatha Mr M Moloi Ms E Mokgalane (CEO)
ETHCOM	3	7	Mr N.F Ntantala Mr S Tjebane Ms S Kwazi Mr T Geza Dr J Deacon Prof M Reyneke Ms E Mokgalane (CEO)
REGCO/TEPCO	2	16	Ms G Bowels Ms Maqashalala Ms S Kwazi Ms S Besman Ms P Nqumashe Ms C Weston Ms J Joshua Mr L Grange Mr E Maseko Ms N Caluza Dr L Swanepoel Ms F Solomon Mr S Dlamini Dr Malapile Mr S Sethusha Ms E Mokgalane (CEO)
ADVOCCO	2	6	Ms B Mbatha Mr T Ledimo Mr E Maseko Ms N Mboniswa Ms N Maqashalala Ms E Mokgalane (CEO)
Risk & Audit COM	3	6	Mr G Bengell Ms L Motshwane Mr J Rustin Mr N Maluleka Mr P Sauer Ms E Mokgalane (CEO)

Committee	No. of meetings held	No. of members	Name of members
FINCO	3	6	Mr G Themba Mr N Ntantala Mr M Moloi Mr S Malapile Mr G Clark Ms E Mokgalane (CEO)
PRODCO	2	9	Cllr V Hofmeester Mr S Sethusha Dr J Joshua Mr M Dubula Mr W Bester Ms R Ledwaba Mr O Lebeloane Ms F Solomon Ms.E Mokgalane
EXCO	3	8	Mr LGM Cele Mr N Ntantala Mr W Hlaise Mr LH Swanepoel Mr G Themba Ms G Bowles Ms B Mbatha Ms E Mokgalane (CEO)

Remuneration of Council members

Name	Remuneration	Other allowance	Other reimbursement	Total
Mr Lucky Goodman Mabutho Cele	N/A	N/A	53 636	53 636
Ms Veronica Hofmeester	N/A	N/A	3 309	3 309
Mr George Themba	N/A	N/A	18 042	18 042
Ms Brenda Mbatha	N/A	N/A	73 881	73 881
Mr Walter Hlaise	N/A	N/A	48 866	48 866
Mr Elphus Maseko	N/A	N/A	9 963	9 963
Mr John William Bester	N/A	N/A	1 899	1 899
Ms Nomarashiya Caluza	N/A	N/A	500	500
Prof Lesley Le Grange	N/A	N/A	2 654	2 654
Dr Louis H Swanepoel	N/A	N/A	4 105	4 105

Name	Remuneration	Other allowance	Other reimbursement	Total
Ms Gaylin Wendy Bowles	N/A	N/A	1 926	1 926
Ms Nolitha Mboniswa	N/A	N/A	2 237	2 237
Mr Tseliso Ledimo	N/A	N/A	1 000	1 000
Ms Ntombodumo Maqashalala	N/A	N/A	2 721	2 721
Mr Nkosiphendule Ntantala	N/A	N/A	2 500	2 500
Ms Sibongile Kwazi	N/A	N/A	2 464	2 464
Dr Hendrik Jaco Deacon	N/A	N/A	1 000	1 000
Prof Mariette Reyneke	N/A	N/A	1 698	1 698
Mr Siphiwe Dlamini	N/A	N/A	1 500	1 500
Mr Sewele Sowell Tjebane	N/A	N/A	21 704	21 704
Ms Faseega Solomon	N/A	N/A	1 500	1 500
Mr Mkhuseli Dubula	N/A	N/A	1 745	1 745
Mr Sello Sethusha	N/A	N/A	1 500	1 500
Dr Jenny Joshua	N/A	N/A	1 000	1 000
Ms Ruth Ledwaba	N/A	N/A	1 000	1 000
Prof Oupa Lebeloane	N/A	N/A	1 000	1 000
Mr Mokholoane Samuel Moloi	N/A	N/A	28 511	28 511
Dr Sandy Malapile	N/A	N/A	3 000	3 000
Ms Lindiwe Motshwane	N/A	N/A	3 500	3 500
Dr Shirley Besman	N/A	N/A	3 259	3 259
Ms Palesa Nqumashe	N/A	N/A	500	500
Mr George Bengel	N/A	N/A	1 500	1 500
Mr Jonavon Rustin	N/A	N/A	1 500	1 500
Mr Nibekas Maluleke	N/A	N/A	1 500	1 500
Mr Paul Sauer	N/A	N/A	1 500	1 500
Mr Gregory Clark	N/A	N/A	2 500	2 500
Mr Toto Geza	N/A	N/A	50 396	50 396
Mr John Eastes	N/A	N/A	1 000	1 000

Name	Remuneration	Other allowance	Other reimbursement	Total
Ms Lindiwe Motshwane	N/A	N/A	3 500	3 500
Dr Shirley Besman	N/A	N/A	3 259	3 259
Ms Palesa Nqumashe	N/A	N/A	500	500
Mr George Bengel	N/A	N/A	1 500	1 500
Mr Jonavon Rustin	N/A	N/A	1 500	1 500
Mr Nibekas Maluleke	N/A	N/A	1 500	1 500
Mr Paul Sauer	N/A	N/A	1 500	1 500
Mr Gregory Clark	N/A	N/A	2 500	2 500
Mr Toto Geza	N/A	N/A	50 396	50 396
Mr John Eastes	N/A	N/A	1 000	1 000

5. RISK MANAGEMENT

The organisation is committed to maintaining a proactive and accountable risk management culture aligned with the principles of good corporate governance and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. SACE has established a Risk and Audit Committee to provide structured, systematic oversight of governance, risk management, and internal control practices. The Committee supports Council and management by providing advice and guidance on the adequacy and effectiveness of the governance structure, risk management processes, the internal control framework, internal and external assurance activities, and financial and public accountability reporting.

SACE's risk management processes provide for the identification, assessment and evaluation of risks affecting the organisation, followed by the appropriate management response, which may include risk avoidance, termination, transfer, acceptance or mitigation. These processes support Council and management in identifying, assessing, and appropriately managing key organisational risks. Roles and responsibilities for managing identified risks are defined and communicated during the risk management process.

The organisation's Risk Management Policy and related risk management documentation are reviewed and updated annually and approved by the appropriate governance structures to ensure continued alignment with applicable governance requirements and organisational changes. The Council has also established risk appetite and tolerance levels to guide the management of organisational risks. SACE maintains a low-risk appetite for losses arising from negligence and wasteful or fruitless expenditure, and a zero-tolerance approach to fraud and corruption. The organisation's risk appetite is integrated into its operational activities to support effective and efficient service delivery.

Risk assessments are conducted as part of the organisation's risk management processes, with the risk register and Risk Management Policy reviewed and updated annually. The process includes identifying and defining risks, assigning risk ownership and responsibilities, and determining appropriate risk management responses. This enables the organisation to monitor existing risks and consider emerging risks requiring management attention.

The Risk and Audit Committee provides oversight of the organisation's overall risk management system and reports to Council on key risk matters. The Committee provides the Council with risk management advice at least annually and, where required, on a quarterly or ad hoc basis. The Chairperson of the Committee may also be invited to present the Committee's reports and recommendations directly to Council. SACE recognises risk management as a core component of good governance and organisational performance. The Council is committed to a risk management process aligned with the principles of good corporate governance and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The organisation has established a Risk and Audit Committee to provide structured and systematic oversight of governance, risk management and internal control practices. The Committee supports Council and management by providing advice and guidance on the governance structure, risk management framework, internal controls, assurance activities, and financial and public accountability reporting.

SACE applies an integrated risk management approach that requires identifying, assessing, and evaluating risks that may affect the achievement of organisational objectives. Appropriate responses are then implemented, including risk avoidance, transfer, acceptance or mitigation, depending on the nature and level of the identified risk. Roles and responsibilities for managing identified risks are assigned during the risk management process to promote accountability across the organisation.

The organisation's Risk Management Policy is reviewed and updated annually and approved through the appropriate governance structures, to ensure alignment with applicable governance requirements and changes in the organisation's operating environment. The Council has established risk appetite and tolerance levels to guide risk-taking and risk mitigation. SACE maintains a low-risk appetite for losses arising from negligence and wasteful or

fruitless expenditure and a zero-tolerance approach to fraud and corruption. The risk appetite is integrated into organisational operations to support effective and efficient management of resources and achievement of strategic objectives.

Risk management processes are implemented at both strategic and operational levels. Strategic risks are identified during the development of the five-year Strategic Plan and APP by considering strategic objectives, targets, and factors that may hinder their achievement. Operational risks are identified at the beginning of each financial year, taking into consideration standard operating procedures and operational activities. They are reviewed and updated as changes arise in the organisation's operating environment.

Risks are monitored regularly to assess whether they remain relevant and whether existing controls are still adequate and effective. Where necessary, risk responses are adjusted to ensure that identified risks are managed within the organisation's approved risk appetite and tolerance levels. This approach enables SACE to proactively identify and address risks that may affect the achievement of its strategic and operational objectives.

Strategic Outcome	Key Risk	Key Mitigation Measures
Efficient and effective governance	Insufficient capacity to deliver on SACE mandate. Non-implementation of the internal and external audit outcomes.	Expedite the recruitment process to fill critical positions.
Maintained professional standards	Non-enforcement of professional standards.	Institutionalise the enforcement structure.
Maintained ethical standards	Denied justice to the learners and complainant.	Enhanced case management and process through resources.
Quality management of professional development provisioning	Ineffective educators and practitioners' professional competence.	Strengthening quality management monitoring and enforcement of approved providers and endorsed programmes.
Improved evidence-based advisory role	Voice of the teaching profession missing in policy decision-making.	Enhancing capacity via collaborative processes.

The Council has established risk appetite and tolerance levels to guide the management of organisational risks. SACE maintains a low-risk appetite for losses arising from negligence, wasteful or fruitless expenditure, fraud, and corruption. The approved risk appetite is integrated into organisational operations to guide decision-making and ensure that risks are managed within the levels approved by the Council.

Strategic risks are proactively identified during the development of the five-year Strategic Plan and APP through structured consideration of strategic objectives, performance targets, and factors that may impede their achievement. Operational risks are identified at the beginning of each financial year, taking into account standard operating procedures and day-to-day operations. These risks are reviewed and updated regularly to reflect changes in the organisation's operating environment.

Identified risks are monitored on an ongoing basis to assess their relevance and the effectiveness of existing controls. Where required, additional or revised mitigation measures are implemented to reduce risks to within the organisation's approved risk tolerance and appetite levels. This proactive approach enables SACE to promptly identify and address potential risks, thereby supporting the achievement of its strategic and operational objectives.

6. INTERNAL CONTROL UNIT

N/A

7. INTERNAL AUDIT

Strategic Role and Purpose of Internal Audit

The Internal Audit Activity (IAA) operates in accordance with its approved Internal Audit Charter, the Public Finance Management Act (PFMA), 1999, the applicable Treasury Regulations and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA).' The IAA is headed by the Chief Audit Executive (Internal Auditor), who reports functionally to the Risk and Audit Committee (RAC) and administratively to the CEO. This reporting structure is intended to safeguard the IAA's independence and objectivity. It enables the CAE to communicate directly with the RAC and the Council on matters within the Internal Audit mandate.

The IAA is an independent and objective assurance and consulting function established to add value and improve operations. The IAA supports the achievement of strategic objectives by ensuring the adequacy and effectiveness of governance, risk management, and internal control processes, and by providing advisory services to strengthen organisational processes and controls.

Strategic Positioning and Independence

The IAA is positioned to maintain its independence and objectivity in executing its mandate. In accordance with the approved Internal Audit Charter, the Chief Audit Executive (Internal Auditor) has a functional reporting relationship with the RAC and an administrative reporting relationship with the CEO. This reporting arrangement is intended to safeguard the IAA's independence and enable the CAE to perform the Internal Audit mandate without undue influence from management.

Key Activities and Objectives of the Internal Audit Function

The internal audit function provides independent and objective assurance and advisory services designed to improve the organisation's operations. Its primary objective is to evaluate and enhance the effectiveness of risk management, internal controls, and governance processes.

Purpose and Mandate:

Internal audits operate under an approved Internal Audit Charter that defines their authority, scope, and responsibilities. The function assures management and the Audit Committee about the adequacy and effectiveness of internal controls, risk management and governance processes.

Strategy:

The Strategic Plan provides a roadmap for the medium-term direction of the Internal Audit Function (IAF), aimed at enhancing service delivery to its stakeholders during the 2025 to 2027 financial years. The plan has been developed to be practical, achievable, and responsive to the current operating environment, considering the strengths, weaknesses, opportunities, and challenges within the IAF.

The plan outlines Internal Audit's key priorities to continue providing an appropriate level of assurance and advisory support to management and the Audit Committee. Furthermore, it ensures that Internal Audit remains responsive to

emerging risks and organisational needs. The Strategic Plan will be reviewed and updated annually to ensure alignment with changes in the organisational environment and the strategic direction of SACE.

The Internal Audit Strategic Plan for the 2025–2027 financial years has been developed under the CAE's leadership to strengthen the IAF's value proposition. The plan outlines key initiatives over the three years, focusing on strengthening Internal Audit capacity, enhancing audit methodologies, and implementing quality assurance and improvement measures. In line with SACE's mandate to promote professionalism, ethical conduct, and accountability within the education sector, the IAF will continue to play a key role in supporting sound governance, effective risk management, and robust internal control processes across the organisation.

Charter, Methodology and Internal Audit Plans:

The Internal Audit Charter, methodology, rolling 3-year strategic Internal Audit plan and an annual plan for the first year of the rolling 3-year Internal Audit plan (strategic and annual plans) were reviewed and approved.

Independence and Objectivity:

Internal Audit maintains independence through functional reporting to the Audit Committee and administrative reporting to management. All audit activities are performed objectively, without undue influence, and in accordance with professional standards.

Internal Audit Modality:

The Internal Audit executes its mandate through a combination of assurance and advisory engagements, covering compliance, operational, risk-based, and governance-related reviews.

Staffing:

The Internal Audit function comprises an Assistant Audit Manager supported by two Internal Audit Technicians. This structure provides the necessary capacity to execute audit engagements and support both assurance and advisory activities across the organisation.

Quality Assurance and Improvement Programme:

Internal Audit maintains a Quality Assurance and Improvement Programme to ensure compliance with professional standards and to continuously enhance the quality, consistency, and effectiveness of audit work performed. No Quality Assurance and Improvement Programme is currently in place, although the internal auditors are studying to become certified auditors.

Stakeholder Relationships:

Internal Audit maintains constructive working relationships with management and key divisions, including Human Resources, Supply Chain, the Professional Registration and Induction Certificate, Communications and Stakeholders, Ethics, and CPTD. These engagements support effective communication of audit outcomes and facilitate the implementation of recommendations. Internal audit also plays an advisory role during APP development.

Combined Assurance:

Internal Audit participates in the organisation's combined assurance framework by coordinating assurance activities with management and other oversight structures. This approach promotes the efficient use of assurance resources, reduces duplication, and provides a more integrated view of organisational risk and control effectiveness. Internal audit is also responsible for risk management and for providing quality assurance regarding the organisation's performance information.

Value-Add:

- Internal Audit continues to add value via:
- Identifying control weaknesses and improvement opportunities
- Enhancing risk management practices across key organisational processes
- Supporting governance, compliance, and accountability structures
- Providing practical and implementable recommendations to improve operational efficiency

Limitations:

The transitional and mid-first-quarter appointment of two Internal Audit Technicians in May 2026 limited the ability to complete all planned audit engagements within the original timelines due to the above constraints.

Specify Summary of Work Done by the IAF in the Reporting Period

During the period under review, Internal Audit executed its mandate in line with the approved risk-based audit plan, focusing on key organisational processes and risk areas across SACE.

A total of eight audit engagements were planned for the financial year. Of these, six audits were completed, thereby assuring selected governance, risk management, and control processes. The completed audits covered key divisions, including Human Resources, Finance, Registration, Communications, Ethics, and CPTD.

Two audits, namely the ICT Audit and Research Audit, were not completed within the reporting period and have been rolled-over to the 2026/27 financial year.

The execution of the audit plan was impacted by delays in the appointment of two Internal Audit Technicians in May 2026, resulting in transitional capacity constraints during the period under review.

No ad hoc audit engagements were undertaken during the year.

Internal Audit continued to monitor the implementation of audit recommendations using follow-up processes. Progress has been made in implementing agreed actions. However, some findings remain outstanding and are being tracked to ensure timely resolution.

Overall, Internal Audit provided assurance and advisory support to management, contributing to the strengthening of internal controls, risk management, and governance processes.

Planned and Completed Audits

- Continuing Professional Teacher Development
- Human Resources
- Performance Information Quality Assurance (4 quarters)
- Ethics
- Registration
- Supply Chain Management
- Communication

Audits Rolled-over

- ICT Audit
- Research and Policy Coordination

Status of Audit Findings Addressed:

	Number of findings	Total addressed	Not yet due	Total not addressed	No. of recurring findings Last three Financial Years
IAF Findings	34	8	0	4	14
Disciplinary Committee Findings	5	3	0	2	0

8. AUDIT COMMITTEES

The purpose of the RAC is to provide a structured, systematic oversight of organisational governance, risk management and internal control practices. The Committee assists Council and management by providing advice and guidance on the adequacy of the organisation's initiatives for:

- Governance structures and risk management.
- The internal control framework.
- Oversight of the IAA, external auditors, and other providers of assurance.
- Financial statements and public accountability.

The Committee operates independently in accordance with its Charter. Members are required to disclose any actual or potential conflicts of interest in accordance with the meeting. During the financial year, no members of the Committee had any conflict of interest on the agenda.

The Chief Audit Executive (Internal Auditor) functionally reports to the RAC and administratively to the CEO. This reporting structure supports the organisational independence of the IAA. The Council has appointed an independent RAC, which reports to the EXCO. The Committee adjudicates over the work of both internal and external auditors.

The Committee held three meetings during the reporting period. The Committee met its statutory obligation regarding the minimum number of meetings. The Committee reviewed the audit statements and approved the Audit Report in accordance with the Audit Committee report.

The Committee's Charter provides coordinated assurance via Internal Audit, External Audit, and Management to support effective governance, risk management and internal control. During the reporting period, the Committee laid the foundation for governance to implement this combined assurance approach.

The Committee is constituted in accordance with the approved Charter and comprises independent non-executive members, together with one Council representative, appointed for their knowledge and financial expertise.

The RAC held three meetings as follows:

21 May 2025
30 May 2025
08 July 2025

The Committee reports on matters within the Council's mandate, including governance, internal controls, risk management, financial reporting, and audit matters.

The Committee maintains good, independent working relationships with the Council, Executive Management, Internal Audit, External Audit, and other assurance providers to support effective governance and accountability. These relationships are intended to facilitate open communication and coordinated assurance activities.

No matters were escalated to the Council by the Audit Committee.

Composition of the Audit Committee and Meeting Attendance

The table below discloses relevant information on the Audit Committee members.

Name (full name and surname including professional titles)	Qualifications	Professional affiliation (e.g. SAICA, IIA, IOD (SA))	Appointment: Term of office		No. of Meetings attended in 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	Number of other ACs that the member served on during the reporting period (whether in the public sector or not)	Number of other governance structures the member served on during the r eporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date	Ordinary meetings	Special meetings				
Mr J. Rustin	BA (UWC), Financial management for non-financial managers (UNISA)	N/A	1 August 2021	31 July 2025	2	1	Yes	No	1	1
Mr N Maluleke	National Diploma in Public Finance, Secondary Teachers Diploma (M+3), Higher Education Diploma (M+4)	SACE	1 August 2021	31 July 2025	2	-	Yes	Yes	1	1
Mr P. Sauer	Diploma in Business Management, BSC Zoology (BSCHON) Geomorphology and Biogeography	N/A	1 August 2021	31 July 2025	1	1	Yes	Yes	1	1
Mr G. Bengell	Grade 12, PTD 3	N/A	1 August	31 July 2025	2	1	Yes	No	1	1
Ms L Motshwane	Grade 12 Bachelor of Education (Honours), Diploma in Law, Basic Financial Life Skills, ACE (Education Management), Secondary Teachers Diploma. Introduction to Investment and Finance (Certificate), Corporate Governance King III. Programme: Finance for Non-Financial Managers	SACE	1 July 2023	31 July 2025	1	1	Yes	Yes	1	2

Remuneration of Audit Committee Members

N/A

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Council has developed policies to implement statutory requirements governing its operations, thereby ensuring effective and efficient management of its affairs. The Auditor-General conducted compliance tests at the end of the financial year under review and reported findings in paragraphs 25 and 26 of the Auditor-General's report regarding irregular expenditure and the write-off of irrecoverable revenue.

10. FRAUD AND CORRUPTION

Council implemented a zero-tolerance approach to fraud and corruption. The Supply Chain Policies have been developed and reviewed annually to ensure fair, open, and transparent procurement procedures that prevent fraud in the acquisition of assets and resources. In addition to Supply Chain Policies, which prescribe procedures for procuring assets and resources in an open, transparent, and fair manner, the Council has adopted the Policy on 'irregular, fruitless and wasteful expenditure'. This policy aims to prevent irregular, 'irregular, fruitless and wasteful expenditure' and further provides procedures for how staff and managers should handle such expenses, should they occur. Managers and staff are personally held accountable for irregular, wasteful, and fruitless expenditures, and such expenditures are recovered from the affected managers and staff to protect the Council's assets and resources.

Irregular, wasteful, and fruitless expenditures are reported to the Council as an oversight Committee and, depending on the severity and circumstances, may be reported to police or subject to disciplinary action. The details on such expenditures are covered in the financial statements and the Auditor's report for the period under review.

The Special Investigation Unit, through a proclamation issued by the State President around 2021, is investigating the possibility of irregular purchases at the SACE Office in the Eastern Cape. The Council has, on its own, requested that the investigations be extended to include other Council Offices. The SIU is currently investigating the possibility of irregular purchases at offices in KZN, the Western Cape, and the Free State, involving the same service provider. The Council is waiting for the final report on the outcome.

11. MINIMISING CONFLICT OF INTEREST

The Council continues to maintain its 2021 policy to manage conflicts of interest in its operations and decision-making processes. All staff members, stakeholders, and Council members are required to disclose any conflict of interest when it arises during any Council process to ensure the unbiased and impartial processing of matters in which a member has a conflict of interest. During all Council meetings, the structures of Council and staff, and declarations of interest, are included in the agenda to manage conflicts of interest. Furthermore, all Council members and personnel sign a declaration of business interests annually to address supply chain conflicts of interest. The Council's Supply Chain policy requires that all participants with any conflict of interest regarding procurement decisions must recuse themselves from such procedures.

During the reporting period, the Council did not detect any violation of its conflict of interest policy.

12. CODE OF CONDUCT

SACE has a Code of conduct for Councillors, intended to guide their behaviour in carrying out their responsibilities, and a Code of conduct for staff members, which serves as a tool for disciplinary action.

The Code of Conduct is a set of rules and values that Councillors must abide by, relating to their relationships with other Councillors, their attitudes and approach to their work, how they relate to the executives, boundaries and limitations, and the general scope of their work in SACE. On the other hand, the disciplinary Code is utilised when staff breach the Code or commit any violation of the set rules or values.

No breaches of the Code of Conduct by Councillors or staff were reported during the period under review.

13. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Health and safety in the environment are regulated by the Occupational Health and Safety Act 85 of 1993, which aims to create a safe workplace and protect workers and the public from health and safety hazards. In accordance with the Occupational Health and Safety Act 85 of 1993, employers with more than twenty (20) employees at a workplace are required to designate health and safety representatives in writing. Where two or more health and safety representatives have been designated, the employer is required to establish a Health and Safety Committee in accordance with Section 19 of the Act. The Health and Safety Committee is responsible for reviewing health and safety matters and making recommendations to the employer on issues affecting the health and safety of employees. SACE is complying with these prescriptions, as the Council has appointed such committees, which meet at least once per quarter to discuss Occupational Health and Safety matters. The Committee comprises Health Representatives as appointed, representatives from Provincial Offices, and representatives of various divisions.

Furthermore, in compliance with these stipulations, the Council conducts Emergency Evacuations at least twice per year to raise awareness of evacuation procedures in the event of fires or other emergencies. These exercises are conducted simultaneously across all SACE Offices, involving all Council members and clients who are in specific offices at the time of the emergency evacuation exercise.

The Council has raised the level of Occupational Health and Safety measures by including the establishment and implementation of a Disaster Management Plan in its Annual Performance and Operational Plan for the year 2026/27. Compliance and implementation of the plan will be evaluated in the next financial period.

14. COMPANY SECRETARY

N/A

15. SOCIAL RESPONSIBILITY

2025/26 SACE Corporate Social Investment: Investing in Foundational Learning and Future Educators

During the 2025/26 financial year, the SACE translated its commitment to social responsibility into targeted action through two complementary Corporate Social Investment (CSI) initiatives. The first strengthened early learning environments at under-resourced ECD centres in Mpumalanga as part of 2025 Mandela Day.

The second supported aspiring teachers at the University of the Free State (UFS) with professional attire for teaching practice – Work Integrated Learning (WIL). Together, the initiatives advanced dignity, access and professional readiness across the education continuum, from young children beginning their learning journey to student teachers preparing to enter their first classroom.

Event 1: Mandela Day in Action—Building Strong Foundations for Early Learning

Implemented on 18 July 2025, SACE's Mandela Day initiative focused on improving learning and care conditions at disadvantaged ECD centres in Mpumalanga. Three centres were initially identified: Early Bird from Msholozi, Little Angel's Paradise ECD Centre in Mbombela and Elizabeth Mabaena Care in Kabokweni. Collectively, these centres serve 251 children and are supported by 17 practitioners and three centre managers, underscoring both the scale of need and the importance of investing in the earliest stage of the education system.

Restoring Dignity and Strengthening Daily Learning

SACE, through its donation drive, distributed chairs, bowls and cups, benefiting 188 children and 17 practitioners. The intervention addressed immediate shortages in basic infrastructure and care resources. The donated chairs provided adequate seating for children at both centres, while the bowls and cups strengthened the daily feeding environment. The support delivered an immediate and visible benefit to centre management, staff and children, while affirming the value of ECD practitioners and the role of safe, adequately resourced spaces in laying strong foundations for lifelong learning.

Event 2: Dressing Future Teachers for Success—Professional Readiness with Dignity

In collaboration with the UFS Teaching Practice Directorate, SACE supported a donation drive to provide formal and professional attire to fourth-year Bachelor of Education and Postgraduate Certificate in Education student teachers preparing for teaching practice placements from July 2025 onwards. The initiative recognised that financial hardship could prevent aspiring educators from obtaining suitable professional clothing, potentially affecting their confidence, dignity and readiness as they enter schools for practical training. Over approximately 11 weeks, from April to June 2025, members of the public across several provinces donated suits, blazers, jackets, shirts, blouses, dress pants, skirts, shoes, ties, scarves, belts, handbags, hangers and suit covers. Collections supported student teachers across the UFS Bloemfontein, South and QwaQwa campuses. By helping students present themselves with confidence and professionalism, the initiative connected practical assistance with the broader goal of professionalising teaching.

Strengthening Confidence, Identity and Professional Practice

SACE's participation contributed to meaningful outcomes for financially disadvantaged student teachers and the institutions they attend, preparing them for the profession, as follows:

- Improved access to professional attire required for teaching practice placements.
- Enhanced the confidence, dignity and professional image of future educators entering school environments.
- Promoted a culture of care, solidarity and professional support across the education sector.
- Strengthened collaboration between SACE and teacher education institutions in advancing the professionalisation of teaching.

One CSI Commitment, Lasting Impact Across the Education Journey

Together, the two initiatives demonstrate SACE's strategic approach to CSI: responding to immediate community needs while reinforcing the long-term strength and professional standing of the education system. By equipping young children with essential learning and care resources and supporting student teachers to enter classrooms with confidence, SACE invested in both ends of the education pipeline. These interventions gave practical expression to the Council's commitment to dignity, inclusion, professionalisation and stronger partnerships for sustainable educational development.

16. AUDIT COMMITTEE REPORT

Audit Committee Reflections

The RAC was appointed by the Council for a four-year term, to provide independent, structured, and systematic oversight of SACE's strategic governance, risk management, and internal controls. To manage conflict and ensure independence, the Committee comprises one Council member and four external members who are independent of governance structures, Internal Audit, and management. The chairperson of the Committee briefed the EXCO of Council once during the financial year on the risk register, which required the Council to implement mitigating controls. For the year under review, the Committee did not have any briefing with the Executive Authority. It is confirmed that the Committee did not have the opportunity to assess its own performance because its term ended on the 31st of July 2025, four months into the financial year.

Audit Committee Responsibilities:

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The 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, except that it has not reviewed changes in accounting policies and practices.

It recognises its duty to serve the public interest and confirms that it has diligently upheld this critical responsibility. It has functioned without hindrance, limitations or threats to its independence throughout the reporting period. It has internalised the relevant requirements of the Global Internal Audit Standards in its work and has aligned with both the IAF & AC Charters. The Committee applied professional scepticism in the execution of its duties, critically evaluating the information placed before it; requesting additional information when necessary, and continuously assessing whether Internal Audit, management, and other providers of assurance maintained high ethical and professional standards.

Audit Committee Composition and Meeting Attendance

The Audit Committee comprised five members in total: four external members and one from within the Council. The Committee is properly constituted, with a balanced representation of independent members and a diverse, appropriate mix of qualifications, expertise, and experience. The Committee convened three times during the year, all of which were ordinary meetings.

Audit Committee Focus Areas

Effectiveness of the Internal Control Systems

The Council's system of internal controls for financial and risk management is effective, efficient, and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit assures the Audit Committee and management that the internal controls are appropriate and effective. This is achieved through the risk

management process and by identifying corrective actions and suggested enhancements to controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management report of the Auditor-General of South Africa, it was noted that no matters were reported that indicated any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Effectiveness of the Internal Audit Function

The Audit Committee is satisfied that the IAF is operating effectively and has addressed the risks pertinent to the Council and its audits.

Effectiveness of Risk Management

The Committee reviewed the Council's risk management during the year and was satisfied with the controls implemented to mitigate the identified risks.

Adequacy, Reliability, and Accuracy of Financial and Performance Information

The RAC has reviewed and discussed the audited Annual Financial Statements and performance information to be included in the annual report, together with the External Auditor and the Council; reviewed the External Auditor's management report and management's response thereto; and reviewed the entity's compliance with legal and regulatory provisions.

Adequacy and Effectiveness of ICT Governance

The Council's ICT was adequate to support its operations satisfactorily. Accounting and Auditing Concerns Identified As a Result of Internal and External Audits

All concerns identified by the internal auditors were resolved during the year. The concerns raised by the external auditors are:

- Failure to comply with SCM regulatory frameworks;
- Failure to implement an effective debt recovery system.

Compliance With Legal and Regulatory Provisions

The Committee reviewed SACE's compliance with its governing legal and statutory regulatory frameworks, including the shortcomings identified in the Auditor's Report.

The Quality of the In-year Management and Monthly/Quarterly Reports Submitted in Terms of Legislation

The public entity has been reporting monthly and quarterly to the Treasury as is required by the PFMA. The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Council during the year under review.

Combined Assurance

The Committee is satisfied with the complementary work of both internal and external auditors. Evaluation of the Annual Financial Statements We have reviewed the Annual Financial Statements prepared by SACE, as follows:

Auditor-General's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year, and we are satisfied that the matters have been adequately resolved except for the following:

- Failure to implement an effective debt recovery system.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the Annual Financial Statements and believes that the audited Annual Financial Statements should be accepted and read together with the Auditor-General's report.

Conclusion

The Audit Committee accepts the External Auditor's report on the Annual Financial Statements and believes that the audited Annual Financial Statements should be accepted and read together with the External Auditor's report.

Mr George Bengell
Chairperson of the Audit Committee
SACE

Date 31 July 2026

17. B-BBEE COMPLIANCE PERFORMANCE

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) to the following:		
Criteria	**Response Yes / No**	**Discussion** *(include a discussion on your response and indicate what measures have been taken to comply)*
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	Preferential policy was implemented in full on all procurement above R30 000
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Human Resource Management (HRM) function plays a strategic role in ensuring that the organisation is adequately capacitated with skilled, competent and motivated employees to deliver on its legislative and strategic objectives. During the 2025/26 financial year, the HRM function focused on strengthening workforce capacity, supporting organisational renewal initiatives, enhancing employee performance management, facilitating employee wellness and promoting skills development across the organisation. The function further supported organisational stability via the implementation of recruitment and selection processes, labour relations management, employee development initiatives and the maintenance of sound human resource governance practices.

Key human resource priorities during the period under review included:

- Filling critical vacant positions to improve organisational capacity and operational efficiency.
- Supporting the organisational restructuring and review process.
- Strengthening employee performance management and development systems.
- Enhancing employee training and skills development initiatives.
- Promoting employment equity and transformation objectives; and
- Maintaining sound labour relations and employee wellness programmes.

The HRM function continued to implement workforce planning strategies to attract, recruit, and retain a skilled and capable workforce aligned with the organisation's strategic priorities. Recruitment and selection processes were undertaken to address critical vacancies and support service delivery requirements. However, progress in filling certain positions was slower than anticipated due to organisational restructuring processes and governance-related delays.

As part of organisational renewal, SACE continued with the Review and Repositioning Project initiated during the 2024/25 financial year. The project is intended to strengthen organisational effectiveness, modernise operations and align the organisational structure and human resource provisioning with the strategic priorities of the 2025–2030 Strategic Plan. Significant progress was made via stakeholder consultations and the review of organisational structures and positions. The envisaged future organisational model seeks to position SACE to respond effectively to technological advancements and the evolving operational environment of the Fourth Industrial Revolution, including increased digitalisation and automation across organisational processes. A draft organisational structure has been developed and will be finalised by the newly reconstituted Council appointed in April 2026.

The organisation continued to implement its Employee Performance Management and Development System in accordance with the applicable organisational framework and agreements concluded with organised labour. Annual employee performance evaluations were conducted during the reporting period, with approximately 99% of employees achieving performance ratings above the satisfactory performance benchmark of Level 3 (66%). The organisation remains committed to strengthening the performance management system to foster a high-performance culture, enhance accountability and identify both individual and organisational development needs.

Employee training and development remained a strategic priority during the year under review. SACE continued to invest in employee skills development through both internally coordinated and externally supported training interventions. Financial assistance was provided to employees pursuing self-initiated studies at recognised HEIs via the organisation's study support programme. In addition, SACE maintained its strategic partnership with the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA), which continued to provide discretionary funding support for internships and employee development initiatives.

More than 80% of employees benefited from training and development interventions during the reporting period. Training programmes included public administration courses, Microsoft Excel training, organisational induction and orientation programmes, and other employer-identified development interventions to improve operational effectiveness and employee competencies. These initiatives contributed towards strengthening institutional capacity, improving employee performance and supporting broader national skills development objectives.

The organisation also continued to advance its transformation and diversity objectives by implementing its five-year Employment Equity Plan. The plan focuses on improving representation across designated groups, with particular emphasis on increasing the representation of persons with disabilities. Although the organisation continued to experience challenges in meeting its disability representation targets, representation currently stands at approximately 1%, with a target of 4% by 2030. To address this gap, the organisation is exploring additional targeted recruitment strategies and interventions to overcome barriers that may hinder the achievement of employment equity objectives.

Notwithstanding the progress achieved, the HRM environment continued to face several challenges during the reporting period, including delays in filling critical vacancies, capacity constraints in certain functional areas, and the impact of ongoing organisational restructuring processes on workforce planning and stability. Despite these challenges, the organisation remained committed to strengthening its human capital capacity and creating an enabling work environment that supports employee wellbeing, organisational performance and sustainable service delivery.

In the future, the HRM function will continue to prioritise the finalisation of the organisational restructuring process, the filling of critical vacancies, the enhancement of employee development initiatives, the strengthening of performance management systems, and the advancement of employment equity and organisational transformation objectives in support of the organisation's strategic mandate.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel Cost by Programme/Activity/Objective

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total Expenditure	No. of employees	Average personnel cost per employee (R'000)
Programme 1: Administration	85 367	38 699	45.33%	65	605
Programme 2: Professional Registration and Certification	15 022	12 082	80.4%	15	805
Programme 3: Ethical Standards	14 152	6 238	44.0%	11	567
Programme 4: Professional Development, Quality Management and Assurance	27 600	11 464	41.1%	16	764
Programme 5: Research and Policy Coordination	8 141	3 310	40.6%	05	662

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of Personnel Expenditure to Total Personnel Cost	No. of employees	Average Personnel Cost Per Employee (R'000)
Top Management	6 719	9%	3	2 240
Senior Management	11 156	16%	9	1240
Professional qualified	16 459	23%	22	748
Skilled	14 762	21%	29	509
Semi-skilled	20 621	29%	65	317
Unskilled	2 079	3%	8	260
TOTAL	**71 796**	**100%**	**136**	**528**

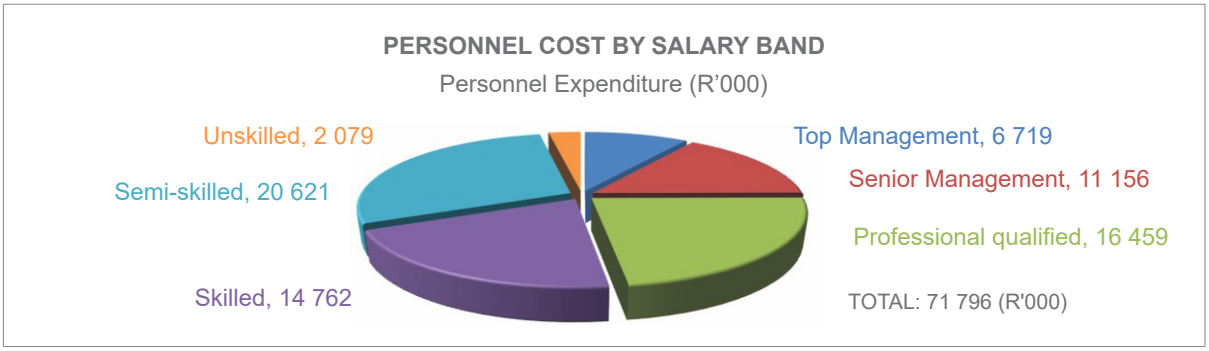


Figure 10: Personnel Cost by Salary - Personnel Expenditure

Performance Rewards

Programme/Activity/Objective	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost (R'000)
Top Management	0	6 719	0
Senior Management	0	11 156	0
Professional qualified	0	16 459	0
Skilled	0	14 762	0
Semi-skilled	0	20 621	0
Unskilled	0	2 079	0
TOTAL	**0**	**71 796**	**0**

Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees Trained	Avg Training Cost Per Employee (R'000)
Programme 1: Administration	38 699	367	0.5%	42	9
Programme 2: Professional Registration and Certification	12 082	82	0.1%	6	14
Programme 3: Ethical Standards	6 238	9	0.0%	4	2
Programme 4: Professional Development, Quality Management and Assurance	11 467	5	0.0%	2	3
Programme 5: Research and Policy Coordination	3 310	51	0.1%	4	13

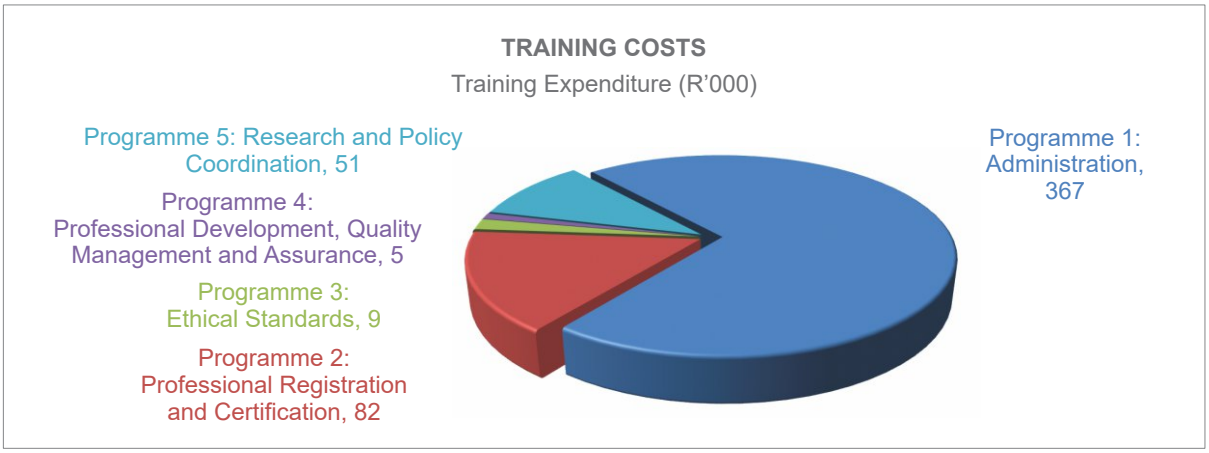


Figure 11: Training Cost - Training Expenditure

Employment and Vacancies

Programme	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of Vacancies
Programme 1: Administration	59	78	66	14	21.8
Programme 2: Professional Registration and Certification	14	15	14	1	7.14
Programme 3: Ethical Standards	10	17	11	6	54.5
Programme 4: Professional Development, Quality Management and Assurance	20	22	16	7	46.7
Programme 5: Research and Policy Coordination	3	5	5	0	0
Total	**106**	**137**	**112**	**28**	**25.7**
Total Temps and Interns	**33**		**24**		

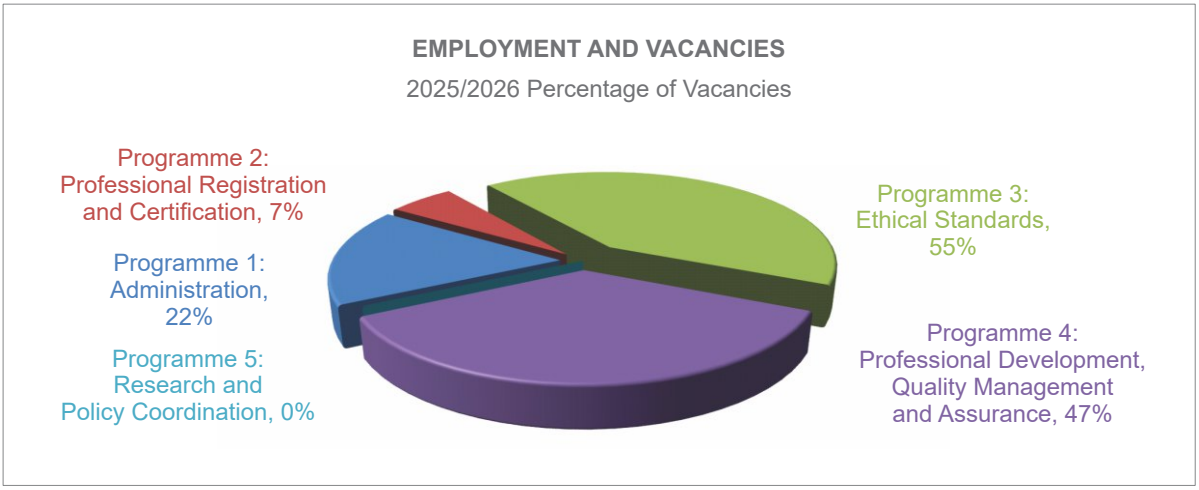


Figure 12: Employment & Vacancies

Activity	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of Vacancies
Top Management	3	4	3	1	33.3
Senior Management	9	13	9	4	44.4
Professional qualified	22	29	22	7	31.8
Skilled	24	33	29	7	24.1
Semi-skilled	74	74	65	6	9.23
Unskilled	7	10	8	3	37.5
Total	**139**	**163**	**136**	**28**	**20.5**

Employment Changes

Salary Band	Employment at Beginning of the Period	Appointments	Terminations	Employment at End of the Period
Top Management	3	0	0	3
Senior Management	9	1	0	10
Professional qualified	22	2	3	21
Skilled	24	9	3	30
Semi-skilled	74	0	14	60
Unskilled	7	0	1	6
Total	**139**	**12**	**21**	**130**

Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	2	1.5
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	21	12.6
Other		
Total	**23**	**14.1**

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written Warning	0
Dismissal	0

Equity Target and Employment Equity Status - Male

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1			1				
Senior Management	4			1				
Professional qualified	8							
Skilled	8							
Semi-skilled	12		1			1		
Unskilled	2							
TOTAL	**35**		**1**	**2**		**1**		

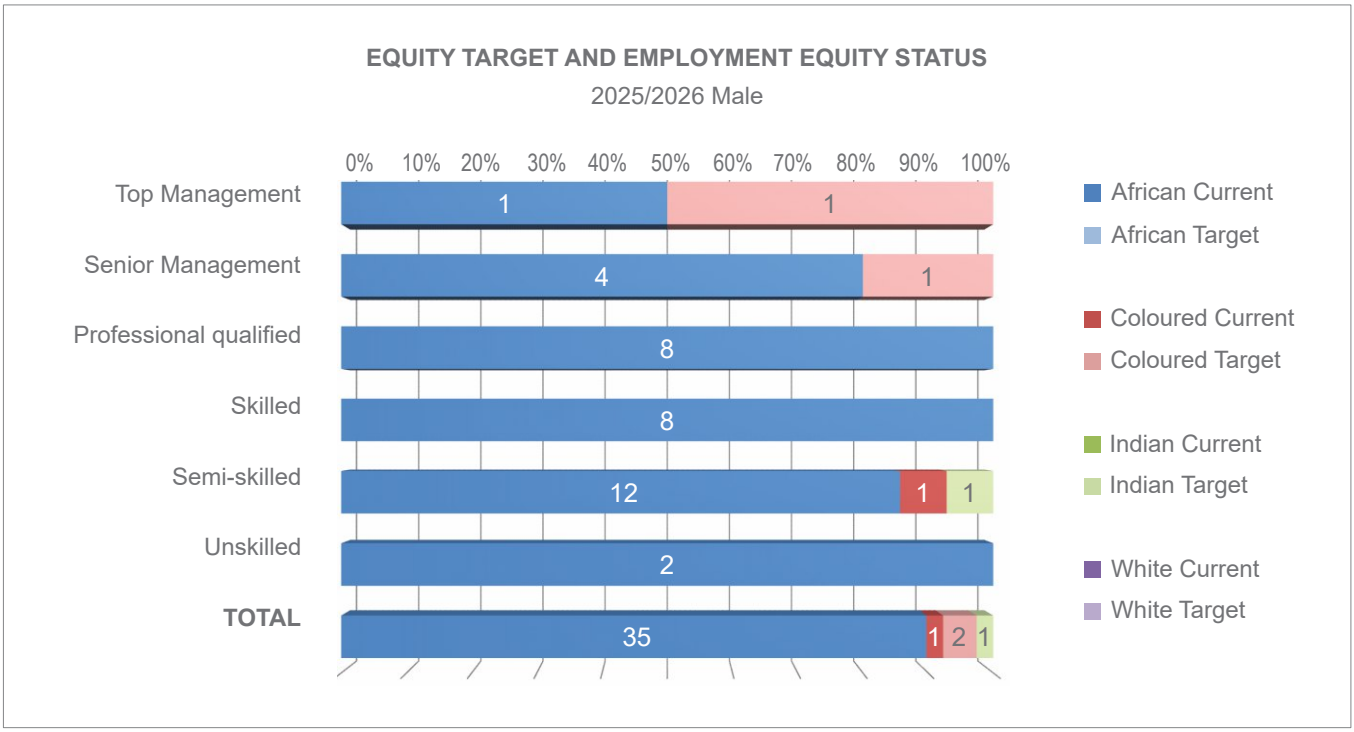


Figure 13: Equity Target and Employment Equity Status - Male

Equity Target and Employment Equity Status - Female

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2							
Senior Management	5							
Professional qualified	13					1	1	
Skilled	14		2		1			1
Semi-skilled	57			1				
Unskilled	5							1
TOTAL	**96**		**2**	**1**	**1**	**1**	**1**	**2**

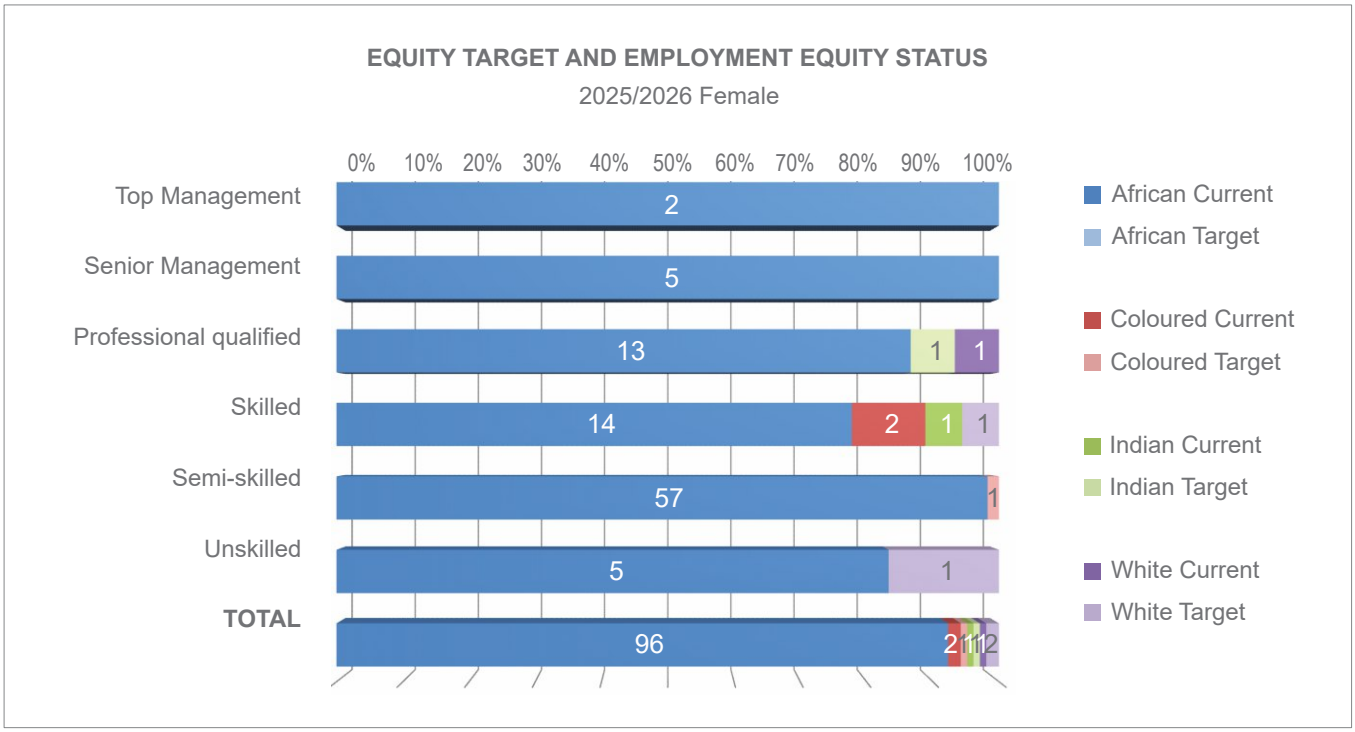


Figure 14: Equity Target and Employment Equity Status - Female

***Equity Target and Employment Equity Status* - Disabled Staff**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management				1
Senior Management				1
Professional qualified				1
Skilled		1	1	
Semi-skilled				1
Unskilled				1
TOTAL		**1**	**1**	**5**

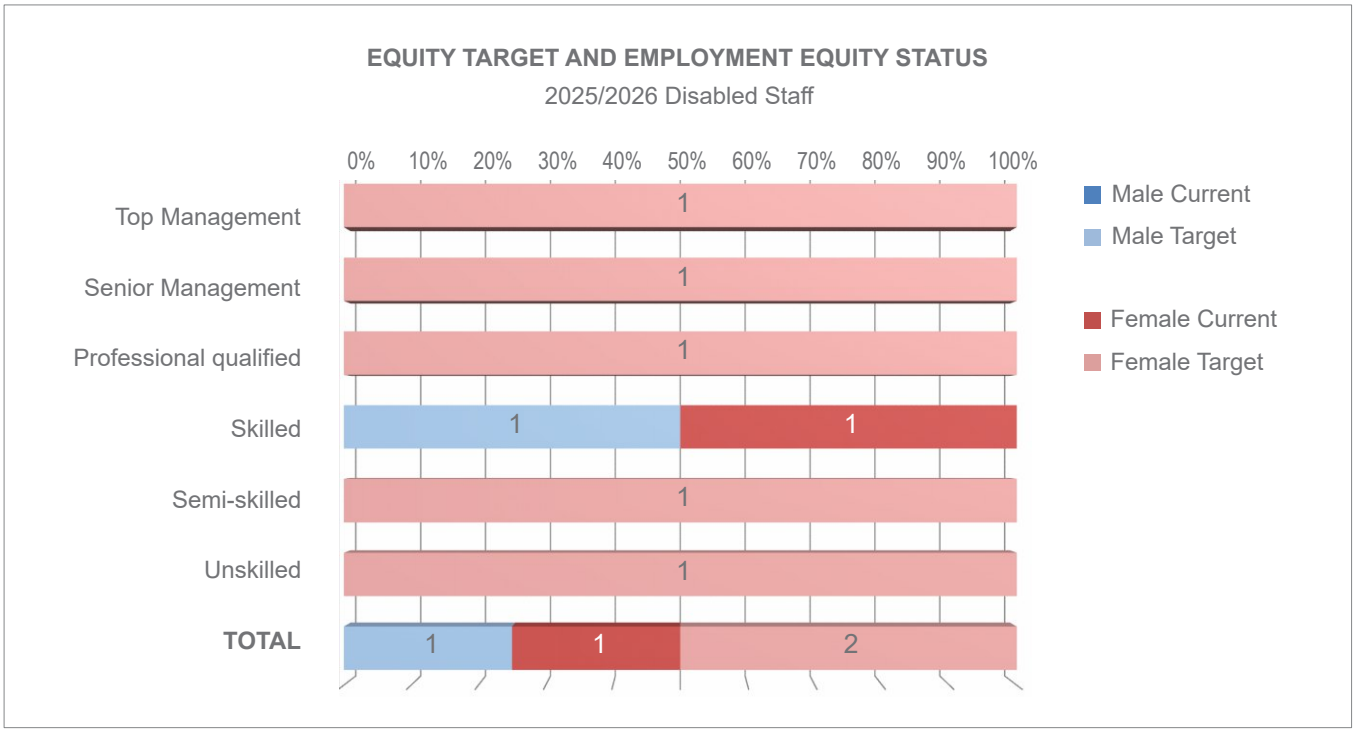


Figure 15: Equity Target and Employment Equity Status - Disabled Staff

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025 R'000	2025/2026 R'000
Opening balance	252	29
Adjustment to opening balance	0	0
Opening balance as restated	252	29
Add: Irregular expenditure confirmed	29	729
Less: Irregular expenditure condoned	-252	-29
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable[3]	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**29**	**729**

Reconciling Notes

Description	2024/2025 R'000	2025/2026 R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	29	729
Total	**29**	**729**

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

Description[4]	2024/2025 R'000	2025/2026 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	29	729
Total	**29**	**729**

[3] Transfer to receivables [4] Group similar items

c) Details of irregular expenditure condoned

Description	2024/2025 R'000	2025/2026 R'000
Irregular expenditure condoned	252	0
Total	252	0

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

Description	2024/2025 R'000	2025/2026 R'000
Irregular expenditure NOT condoned and removed	29	729
Total	29	729

e) Details of irregular expenditure recoverable

Description	2024/2025 R'000	2025/2026 R'000
Irregular expenditure recoverable	0	0
Total	0	0

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

Description	2024/2025 R'000	2025/2026 R'000
Irregular expenditure written off	0	0
Total	0	0

Additional Disclosure Relating to Inter-Institutional Arrangements

g) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[5]

Description	2024/2025[6] R'000	2025/2026 R'000
None	0	0
Total	0	0

[5] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023
[6] Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

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

Disciplinary steps taken
None

1.2. Fruitless and Wasteful Expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2025/2026 R'000
Opening balance	184	2
Adjustment to opening balance	0	0
Opening balance as restated	184	2
Add: Fruitless and wasteful expenditure confirmed	2	5
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	-184	0
Closing balance	**2**	**7**

Reconciling Notes

Description	2024/2025 R'000	2025/2026 R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	2	5
Total	**2**	**5**

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

Description[7]	2024/2025 R'000	2025/2026 R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	2	5
Total	**2**	**5**

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025 R'000	2025/2026 R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	**0**	**0**

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

Description	2024/2025 R'000	2025/2026 R'000
Fruitless and wasteful expenditure written off	184	0
Total	**184**	**0**

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

Disciplinary steps taken	
In 2024/25	0
In 2025/26	0

[7] Group similar items

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) and (iii) [8]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025 R'000	2025/2026 R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	**0**	**0**

b) Details of other material losses

Nature of other material losses	2024/2025 R'000	2025/2026 R'000
None	0	0

c) Other material losses recoverable

Nature of losses	2024/2025 R'000	2025/2026 R'000
None	0	0
Total	**0**	**0**

d) Other material losses not recoverable and written off

Nature of losses	2024/2025 R'000	2025/2026 R'000
None	0	0

[8] Information related to material losses must also be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value R'000
Valid invoices received	3 242	63 229
Invoices paid **within** 30 days or agreed period	3 236	62 579
Invoices paid **after** 30 days or agreed period	6	6
Invoices older than 30 days or agreed period (**unpaid and without dispute**)	0	0
Invoices older than 30 days or agreed period (**unpaid and in dispute**)	0	0

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Azure subscription	Argantic	Single source	POA070290	2 532
Total				**2 532**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original Contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
None						0

PART F

FINANCIAL INFORMATION

Nexia SAB&T
119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0157
T: +27 (0) 12 682 8800
info@nexia-sabt.co.za
www.nexia-sabt.co.za

1. REPORT OF THE EXTERNAL AUDITOR

Independent auditor's report to Parliament on South African Council for Educators

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the South African Council for Educators set out on pages 109 to 140 , which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Council for Educators as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the South African Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

4. We are independent of South African Council for Educators in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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

Emphasis of matters

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

Chairperson: Ms A Zange
Chief Executive Officer: Mr MF Sulaman
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
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Please see the "Member firm disclaimer, https://nexia.com/member-firm-disclaimer/" for further details.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.
* A full list of directors is available for inspection at the company's registered office or on request.

Material allowance for impairment: Trade and other receivables

7. As disclosed in note 7 to the annual financial statements, a material allowance for impairment of R5 295 698 (2025: R5 831 752) was recorded against trade and other receivables as a result of potential irrecoverable debt.

Responsibilities of accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

11. A further description of our responsibilities for the audit of financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

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

13. We selected the following programmes presented in the annual performance report for the year ended 31 March 2026 for auditing. We selected the programmes that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers in APR	Purpose
Programme 2: Professional Registration Induction and Certification	28-34	The purpose of this programme is to register qualified educators and create sub-registers for special categories; maintain and update the educator database and enhance the quality of the registration of teachers by introducing standards.
Programme 3: Ethical Standards	35-40	The purpose of this programme is to promote and maintain ethical standards in the profession.

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

15. We performed procedures to test whether:

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

16. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

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

Achievement of planned targets

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

Key indicators not achieved	Planned target	Reported achievement
3.1.1 Number of rolled-over cases finalized through investigations and/or mediations and/or ETHCOM recommendations in a financial year	600	384
3.1.2 Number of rolled-over disciplinary hearings/ cases finalized after ratification by ETHCOM (as delegated by the Council) in a year	120	91
3.1.3 Percentage of finalised sanctions submitted to teacher employers for enforcement after the appeal process within a year.	100%	6%
3.1.4 Percentage of relevant sanctions submitted to the Department of Social Development's national child protection register in a year	100%	7%

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

20. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

21. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the 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. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with SCM requirements relating to quotations.

Procurement and contract management

24. Some of the quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2022.

Revenue management

25. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Other information in the annual report

26. The Accounting Authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

28. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

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

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

32. Management did not implement and maintain effective internal controls in the finance and SCM directorates relating to procurement and contract management to prevent irregular expenditure.

33. Management did not implement and maintain effective internal controls over revenue management to ensure that all revenue was collected in accordance with the requirements of the Public Finance Management Act (PFMA), Treasury Regulations, and applicable revenue management policies.

Other reports

34. We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

Investigations

35. The Special Investigations Unit has investigated allegations of the possible procurement and contract management irregularities at the request of the President of the Republic of South Africa (Proclamation Notice 77 of 2022), covering a procurement transaction concluded in October 2021. The SIU investigation had been completed; however, at the date of this auditor's report, the Council's responses to the SIU findings were still under consideration and the matter had not yet been finalised.

NexiaSAB&T

Nexia SAB&T
Per: Talha Mayet
Director
Registered Auditor

07 August 2026

Annexure to the auditor's report

The annexure includes the following:

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

Auditor's responsibilities for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we 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 our 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 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. We 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us 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

We 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 we identify during our audit.

We also provide the Accounting Authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(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; 16A.7.6; 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 Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2022/21	Paragraph 1
Erratum National Treasury Instruction No.5 of 2022/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4

Legislation	Sections or regulations
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; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
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(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8;7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Councilors' Responsibilities and Approval

The Councilors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are 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 councilors to ensure that the annual financial statements fairly present the state of affairs of the council 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 Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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

The councilors are 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 councilors have reviewed the council's cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

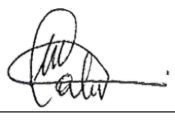
The council is wholly dependent on its own resources for continued funding of operations. The annual financial statements are prepared on the basis that the council is a going concern and that the council has neither the intention nor the need to liquidate or curtail materially the scale of the council.

Although the council are primarily responsible for the financial affairs of the council, they are supported by the council's external auditors.

The external auditors are responsible for independently reviewing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page 106-101.

The annual financial statements set out on page 109-140, which have been prepared on the going concern basis, were approved by the council on 31 July 2026 and were signed on its behalf by:

Ms M.E. Mokgalane (Chief Executive officer)



Ms. P.N Caluza (Chairperson) - Appointed 15 April 2026

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Council's Report

The members submit their report for the year ended 31 March 2026.

1. Incorporation

The council was incorporated in terms of the SACE act (31 of 2000).

2. Review of activities

Main business and operations

Net surplus of the council was R 10 146 896 (2025: surplus R 7 777 031).

3. Going concern

We draw attention to the fact that at 31 March 2026, the council had an accumulated surplus of R 209 148 730 and that the council's total liabilities exceed its assets by R 209 148 730.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the council to continue as a going concern is dependent on a number of factors. The most significant of these is that the councilors continue to procure funding for the ongoing operations of the council.

4. Subsequent events

The council is not aware of any matter or circumstance arising since the end of the financial year.

5. Members' interest in contracts

No member has any interest in contracts.

6. Accounting policies

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

7. Council Members

The members of the council to the date of this report are as follows:

Name
Ms. P.N Caluza (Chairperson) - Appointed 15 April 2026
Mr N.F Ntantala (Deputy chairperson) -Appointed 15 April 2026
Ms M.E. Mokgalane (Chief Executive officer)
Mr W. Hlaise - Appointed 15 April 2026
Mr M.S. Moloi - Appointed 15 April 2026
Dr L.H. Swanepoel - Appointed 15 April 2026
L.G.M Cele - Appointed 15 April 2026
Ms S Kwazi - Appointed 15 April 2026
Mr SS Tjebane - Appointed 15 April 2026
Ms C. Weston - Appointed 15 April 2026
Dr J Van der Merwe-Mocke - Appointed 15 April 2026
Mr G Themba - Appointed 15 April 2026
Mr K Singh - Appointed 15 April 2026
Dr P.L Boase - Appointed 15 April 2026
Mr M.E. Maseko - Appointed 15 April 2026
Mr M.N Mnikathi - Appointed 15 April 2026
Ms PT Makita - Appointed 15 April 2026

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2026

7. Council Members (continued)

Mr M.H Dukwe - Appointed 15 April 2026
Mr S Smith - Appointed 15 April 2026
Mr R Matlhaku - Appointed 15 April 2026
Mr J.W. Bester - Appointed 15 April 2026
Ms P Nqumashe - Appointed 15 April 2026
Mr T.S Maponya - Appointed 15 April 2026
Mr A.S Tlhabane - Appointed 15 April 2026

8. Corporate governance

General

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

The council confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The councilors discuss the responsibilities of management in this respect, at council meetings and monitor the council's compliance with the code on a four monthly basis.

The salient features of the council's adoption of the Code is outlined below:

Executive committee

The council:
- retains full control over the council, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the council;
- is of a unitary structure comprising:
  - non-executive members, all of whom are independent members as defined in the Code; and
  - executive committee members.
- has established a council continuity programme.

Chairperson and chief executive

The Chairperson is a non-executive and independent member of council (as defined by the Code).

The roles of Chairperson and Chief Executive officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the Chief Executive Officer, who is the only executive member of the council, is determined by the council.

Council meetings

The councilors have met on 2 separate occasions during the financial year. The council schedule to meet at least 3 times per annum.

The councilors have access to all members of management.

Audit and risk committee

For the current financial year the chairperson of the audit committee was Mr G Bengel (non-council member). The committee met 3 times during the financial year to review matters necessary to fulfil its role.

Internal audit

The council has established its internal audit function internally. This is in compliance with section 51 of the PFMA.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2026

9. Controlling entity

The council's controlling entity is the Department of Basic Education.

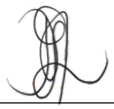
10. Bankers

Nedbank and the Reserve Bank

11. Auditors

Nexia SAB&T will continue in office for the next financial period.

The annual financial statements set out on page 109-140, which have been prepared on the going concern basis, were approved by the council on 31 July 2026 and were signed on its behalf by:



Ms M.E. Mokgalane (Chief Executive officer)

Ms. P.N Caluza (Chairperson) - Appointed 15 April 2026

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Statement of Financial Position as at 31 March 2026

Figures in Rand	Note(s)	2026	2025 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	89 224 325	91 776 024
Intangible assets	4	2 212 754	1 695 920
		91 437 079	**93 471 944**
Current Assets			
Other receivables	6	2 231 529	2 454 194
Receivables from non-exchange transactions	7	946 992	943 714
Cash and cash equivalents	8	170 112 009	151 378 597
		173 290 530	**154 776 505**
Total Assets		**264 727 609**	**248 248 449**
Liabilities			
Current Liabilities			
Payables from exchange transactions	5	32 171 878	33 352 157
Payments received in advance	9	23 407 001	15 894 452
		55 578 879	**49 246 609**
Total Liabilities		**55 578 879**	**49 246 609**
Net Assets		**209 148 730**	**199 001 840**
Accumulated surplus		209 148 730	199 001 840
Total Net Assets		**209 148 730**	**199 001 840**

* See Note 22

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Statement of Financial Performance

Figures in Rand	Note(s)	2026	2025 Restated*
Revenue			
Revenue from exchange transactions and other revenue			
Registration, Reprints, Letter of good standing and Reinstatements	10	31 685 606	20 143 744
Debt impairment recoveries		35 300	15 000
Sundry income		2 937	-
Interest received - investment	12	8 919 536	9 031 749
Gain or loss on disposal of assets and liabilities		20 800	-
Total revenue from exchange transactions		**40 664 179**	**29 190 493**
Revenue from non-exchange transactions			
Fines		663 590	1 643 699
Membership fees		101 728 440	97 736 760
Transfer and donations			
Government grant		17 170 000	16 434 000
Donations		202 835	103 087
Total revenue from non-exchange transactions		**119 764 865**	**115 917 546**
Total revenue		**160 429 044**	**145 108 039**
Expenditure			
Employee related costs	13	(71 796 416)	(66 952 513)
Depreciation and amortisation	14	(4 742 876)	(3 924 246)
Lease rentals on operating lease	11	(20 432)	(19 674)
Debt Impairment	15	(5 295 698)	(5 831 752)
Loss on disposal of assets		-	(15 934)
General Expenses	16	(68 426 726)	(60 586 889)
Total expenditure		**(150 282 148)**	**(137 331 008)**
Surplus for the year		**10 146 896**	**7 777 031**

* See Note 22

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	191 259 056	191 259 056
Adjustments		
Prior year adjustments 22	(34 247)	(34 247)
Balance at 01 April 2024 as restated*	**191 224 809**	**191 224 809**
Changes in net assets		
Surplus for the year	7 777 031	7 777 031
Total changes	7 777 031	7 777 031
Restated* Balance at 01 April 2025	**199 001 834**	**199 001 834**
Changes in net assets		
Surplus for the year	10 146 896	10 146 896
Total changes	10 146 896	10 146 896
Balance at 31 March 2026	**209 148 730**	**209 148 730**

Note(s)

* See Note 22

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Cash Flow Statement

Figures in Rand	Note(s)	2026	2025 Restated*
Cash flows from operating activities			
Receipts			
Receipts from Registration, Reprints, Letter of good standing and Reinstatements		31 831 820	20 143 744
Receipts from Membership fees and Fines		97 295 889	93 321 868
Grants		17 170 000	16 434 000
Interest received		8 919 536	9 031 749
Other receipts		38 239	11 082
Payments received in advance		7 512 549	6 172 983
		162 768 033	145 115 426
Payments			
Employee costs		(70 701 316)	(67 323 292)
Payments of goods and services		(70 646 095)	(48 811 938)
		(141 347 411)	(116 135 230)
Net cash flows from operating activities	17	**21 420 622**	**28 980 196**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 618 035)	(2 543 510)
Proceeds from sale of property, plant and equipment	3	53 675	8 451
Purchase of intangible assets	4	(1 122 850)	-
Net cash flows from investing activities		**(2 687 210)**	**(2 535 059)**
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		**18 733 412**	**26 445 137**
Cash and cash equivalents at the beginning of the year		151 378 597	124 933 450
Cash and cash equivalents at the end of the year	8	**170 112 009**	**151 378 587**

The accounting policies on pages 115 to 122 and the notes on pages 124 to 140 form an integral part of the annual financial statements.

* See Note 22

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Registration, Reprints and Reinstatements	11 500 000	13 500 000	**25 000 000**	31 685 606	**6 685 606**	25.1
Recoveries	40 000	-	**40 000**	35 300	**(4 700)**	
Interest received	4 500 000	4 500 000	**9 000 000**	8 919 536	**(80 464)**	
Total revenue from exchange transactions	**16 040 000**	**18 000 000**	**34 040 000**	**40 640 442**	**6 600 442**	
Revenue from non-exchange transactions						
Taxation revenue						
Fines	560 000	-	**560 000**	663 590	**103 590**	25.2
Membership fees	90 110 196	14 000 000	**104 110 196**	101 728 440	**(2 381 756)**	25.3
Transfer revenue						
Government transfer	17 170 000	-	**17 170 000**	17 170 000	**-**	
Donations	-	200 000	**200 000**	202 835	**2 835**	
Total revenue from non-exchange transactions	**107 840 196**	**14 200 000**	**122 040 196**	**119 764 865**	**(2 275 331)**	
Total revenue	**123 880 196**	**32 200 000**	**156 080 196**	**160 405 307**	**4 325 111**	
Expenditure						
Personnel	(78 504 563)	14 600 000	**(63 904 563)**	(62 990 112)	**914 451**	25.4
Depreciation and amortisation	(4 000 000)	(500 000)	**(4 500 000)**	(4 742 876)	**(242 876)**	
Equipment rental	-	(22 000)	**(22 000)**	(20 432)	**1 568**	
Debt Impairment -	-	(4 000 000)	**(4 000 000)**	(5 295 698)	**(1 295 698)**	25.5
Capital expenditure	(22 000 000)	-	**(22 000 000)**	(2 740 886)	**19 259 114**	25.11
General expenses	(23 205 633)	(19 618 000)	**(42 823 633)**	(35 805 505)	**7 018 128**	25.6
Registration (taken out of General expenses)	(500 000)	(7 100 000)	**(7 600 000)**	(6 098 285)	**1 501 715**	25.7
CPTD (taken out of General expenses and personell)	(17 170 000)	(8 300 000)	**(25 470 000)**	(23 941 459)	**1 528 541**	25.8
Ethics (taken out of General expenses)	(8 800 000)	(3 000 000)	**(11 800 000)**	(7 825 367)	**3 974 633**	25.9
Research (taken out of General expenses)	(500 000)	(4 260 000)	**(4 760 000)**	(3 562 414)	**1 197 586**	25.10
Total expenditure	**(154 680 196)**	**(32 200 000)**	**(186 880 196)**	**(153 023 034)**	**33 857 162**	
Surplus	**(30 800 000)**	**-**	**(30 800 000)**	**7 382 273**	**38 182 273**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(30 800 000)**	**-**	**(30 800 000)**	**7 382 273**	**38 182 273**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reconciliation						
Unexpected revenue						
Gains on disposal of assets				20 800		
Sundry income				2 937		
Capital expenditure				2 740 886		
Actual Amount in the Statement of Financial Performance				**10 146 896**		

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

1.2 Presentation currency

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

1.3 Going concern assumption

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

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty

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

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

Impairment testing

The council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Allowance for doubtful debts

An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

Private Schools - the private school debtors impairment is recognized as follows:

- 100% of the debtors > 90 days

Fines - fines debtors impairment is recognised as follows:

- 40% of the current debtors.

- 52% of the debtors > 12 months.

- 100% of the debtors.> 24 months.

Membership - membership debtor impairment is recognised as follows:

- 100% of the suspended educators at end of the financial year.

Useful lives of assets

The council's management determines the estimated useful lives and related depreciation charges for the property, plant, equipments and intangible assets. This estimate is based on GRAP 17, that requires the council to assess the useful lives, residual values and depreciation methods of assets at every reporting date. the estimation of the useful lives of assets is a matter of professional judgement based on the past experience relating to similar assets. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. and where useful lives are expected to be more than previously estimated, depreciation charge will be decreased. Refer to note 21.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the council measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the council 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 council 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 are 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. refer to note 7.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Classification and designation of financial assets and financial liabilities

Management models for financial assets

Management determines the council's management models for financial assets at a portfolio level, based on how groups of assets are managed. Instruments held in a management model whose objective is to hold financial assets in order to collect contractual cash flows, and that meet the SPPI condition, are measured at amortised cost in accordance with GRAP 104.4.2. Other financial assets are measured at fair value through surplus or deficit.

1.5 Property, plant and equipment

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

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

Land is carried at cost and is not depreciated.

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	40 years
Motor vehicles	Straight-line	5-14 years
Office equipment, furniture and fittings	Straight-line	2-35 years
IT equipment	Straight-line	3-18 years

The council assesses at each reporting date whether there is any indication that the council 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 council 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.

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.

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

1.6 Intangible assets

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

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

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

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

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	5-18 years
Computer software	Straight-line	3-18 years

Accounting Policies

1.7 Financial instruments - GRAP 104 (revised 2019) - current policy

Initial Recognition

The council 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.

Classification

Classification of Financial Assets

The council classifies financial assets as subsequently measured at amortised cost through surplus or deficit on the basis of both:

(a) the entity's management model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost

Classification of Financial Liabilities

The entity classifies all financial liabilities as subsequently measured at amortised cost.

Class	Category
Trade and other payables	Financial liability measured at amortised cost

1.8 Statutory receivables

Recognition

The council recognises statutory receivables as follows:

- At initial recognition, the council designates statutory receivables as no-exchange transactions. the designation is made on the basis that membership fees and fines by nature are compulsoryand there is no willing party in statutory arrangement.

Initial measurement

The council initially measures statutory receivables at their transaction amount.

Subsequent measurement

The council 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 council 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 council considers, as a minimum, the following indicators:
- A breach of the terms of the transaction, such as default in principal payments.

Accounting Policies

1.8 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the council 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.

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 council derecognises a statutory receivable, or a part thereof, when:
- the rights to the cash flows from the receivable are settled or are waived;

1.9 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand and deposits held at call with banks.

1.10 Employee benefits

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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

(a) As a liability (accrued expense), after deducting any amount already paid.

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

Short-term paid absences

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

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

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

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

Bonus and performance related payments

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

- the council has a present legal or constructive obligation to make such payments as a result of past events.

Accounting Policies

1.11 Revenue from exchange transactions

The council's revenue from exchange transactions consist of:.

- Registration fee

- Reprint of certificates

- Reinstatement fees

- Letter of good standing

Measurement

Revenue is measured at the fair value of the consideration received.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest is recognised using the effective interest rate method for financial instruments. Interest levied on transactions arising from exchange is classified based on the nature of the underlying transaction.

Accounting Policies

1.12 Revenue from non-exchange transactions

The council's revenue from non-exchange transactions consist of:

- Government transfer.

- Membership fee.

- Fines.

- Donations.

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 Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Membership fees

Membership fees is recognised as revenue when it is probable that economic benefits will flow to the council. Revenue is measured at fair value as per the approved fee structure at the reporting date. Membership fees is a compulsory fee and unpaid membership fee is written-off at the financial year. Educators who fail to pay the membership fees during the reporting period are suspended and are liable to the payment of reinstatement fee.

Unconditional government transfers

The government transfer is recognised as revenue when it is probable that economic benefits or service potential associated with the allocation of the government transfer to the council will flow to the council and that the council can reliably estimate amounts receivable

Fines

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

Donations

Donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the council and the fair value of the assets can be measured reliably.

1.13 Comparative figures

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

1.14 Segment information

A segment is an activity of an entity:
- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Accounting Policies

1.15 Budget information

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

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

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

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

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

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• **GRAP 104 (as revised): Financial Instruments**	01 April 2025	The impact is not material.

2.2 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 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• **GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control**	Not yet effective	Unlikely there will be a material impact
• **GRAP 105 Transfer of Functions Between Entities Under Common Control**	Not yet effective	Unlikely there will be a material impact
• **GRAP 2023 Improvements to the Standards of GRAP 2023**	Not yet effective	Impact is currently being assessed
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet effective	Impact is currently being assessed

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	23 327 559	-	23 327 559	23 327 559	-	23 327 559
Buildings	71 416 378	(13 428 760)	57 987 618	71 416 378	(11 643 350)	59 773 028
Motor vehicles	2 180 406	(1 325 027)	855 379	2 180 406	(1 069 663)	1 110 743
Office equipment	12 692 215	(7 145 164)	5 547 051	11 941 833	(5 910 639)	6 031 194
IT equipment	5 807 656	(4 300 938)	1 506 718	5 264 920	(3 731 420)	1 533 500
Total	**115 424 214**	**(26 199 889)**	**89 224 325**	**114 131 096**	**(22 355 072)**	**91 776 024**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Land	23 327 559	-	-		23 327 559
Buildings	59 773 028	-	-	(1 785 410)	57 987 618
Motor vehicles	1 110 743	-	-	(255 364)	855 379
Office equipment	6 031 194	938 239	(6 687)	(1 415 695)	5 547 051
IT equipment	1 533 500	679 796	(26 188)	(680 390)	1 506 718
	91 776 024	**1 618 035**	**(32 875)**	**(4 136 859)**	**89 224 325**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	23 327 559	-	-	-	23 327 559
Buildings	61 558 437	-	-	(1 785 409)	59 773 028
Motor vehicles	1 366 118	-	-	(255 375)	1 110 743
Office equipment	5 158 660	1 861 034	(25 620)	(962 880)	6 031 194
IT equipment	1 602 077	682 476	(15 755)	(735 298)	1 533 500
	93 012 851	**2 543 510**	**(41 375)**	**(3 738 962)**	**91 776 024**

Figures in Rand	2026	2025

Pledged as security

The council has no assets classified under propert,plants, and equipment pledged as security for liabilities and no restrictions have been imposed on any of the assets.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
General expenses	1 479 677	1 830 820

Notes to the Annual Financial Statements

Figures in Rand

4. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	7 968 465	(7 111 449)	857 016	7 968 465	(6 593 520)	1 374 945
Computer software	1 346 257	(608 069)	738 188	982 697	(661 722)	320 975
Intangible assets under development	617 550	-	617 550	-	-	-
Total	**9 932 272**	**(7 719 518)**	**2 212 754**	**8 951 162**	**(7 255 242)**	**1 695 920**

Reconciliation of intangible assets - 2026

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	1 374 945	(1)	(517 928)	857 016
Computer software, other	320 975	505 301	(88 088)	738 188
Intangible assets under development	-	617 550	-	617 550
	1 695 920	**1 122 850**	**(606 016)**	**2 212 754**

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, internally generated	1 429 325	(54 380)	1 374 945
Computer software, other	451 879	(130 904)	320 975
	1 881 204	**(185 284)**	**1 695 920**

Figures in Rand	2026	2025

Pledged as security

The council has no intangible assets pledged as security for liabilities and no restrictions have been imposed on any of the assets

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets		
Computer software, internally generated	617 550	-

Notes to the A

Figures in Rand	2026	2025

5. Payables from exchange transactions

Trade payables	14 590 345	13 384 064
Other payables	40 334	12 855
Accrued leave pay	14 032 879	13 044 801
Accrued bonus	858 577	779 022
Accrued expense	2 649 743	6 131 415
	32 171 878	**33 352 157**

6. Other receivables

Prepayments	676 692	753 143
Rental and electricity deposits	180 770	180 868
Staff advances	659 166	632 449
Other receivables	307 492	269 994
Deposit held in attorneys trust	144 827	144 827
Insurance debtor	-	40 000
ETDP SETA subsidies	(87 418)	82 913
Recoverable fruitless and wasteful expenditure	350 000	350 000
Total Receivables from exchange transactions	**2 231 529**	**2 454 194**

7. Receivables from non-exchange transactions

Reconciliation of information presented in the notes to the line items presented in the financial statements

Line item containing statutory receivables, and relating receivable type	Notes		
Statutory receivables		**946 993**	**943 714**
Fines and membership debtors		2 061 116	2 576 958
Less: Refunds		(110 446)	(107 764)
Less: Provision for impairment		(1 003 677)	(1 525 480)

Transaction(s) arising from statute

Membership fees and fines arise from section 19 of the South African Council for Educators act No. 31 of 2000 as amended, which states that funds of the council consists of compulsory fee, money appropriated by parliament, money received from donation, interest, fines and money received from other sources.

Determination of transaction amount

Membership fees and fines receivable are based on a council decision, and are charged at R 198.00 per annum for Membership fees and fines are charged at a maximum of monthly salary of a member.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

7. Receivables from non-exchange transactions (continued)

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

The council assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivables accounts are impaired.

Membership fees and fines receivable with any outstanding balances will be assessed as a group for evidence of impairment.

Reconciliation of provision for impairment

Relating specifically to Statutory Receivables		
Opening balance	1 525 479	1 129 903
Provision for impairment	5 295 698	5 831 752
Amounts written off as uncollectible	(5 817 500)	(5 436 176)
	1 003 677	**1 525 479**

Main events and circumstances that led to the recognition or reversal of impairment losses on Statutory Receivables

Significant impairment losses recognised or reversed

Loss 1: All in-active accounts in the system

Loss 2: When accounts have been formally presented to the CFO and CEO for write-off

Loss 3: All private school accounts with outstanding balances 12 months and beyond

Loss 4: All fines accounts with outstanding balances 12 months and beyond

Loss 5: When a member registration status is suspended

Key indicators and assumptions used to assess and calculate whether statutory receivables were impaired during the reporting period

The amounts charged to the allowance account are generally written-off when there is no expectation of recovery.

The assumption around collection of fines relies on past due threshold of 36 months, after 12 months of broken payment agreement.

Collectability of statutory receivables

Receivables past due but not impaired

Relating specifically to Statutory Receivables

Statutory receivables which are less than 36 months past due are not considered to be impaired. At 31 March 2026, R 946 993 (2025: R 943 714) were past due but not impaired.

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

12 month past due	344 557	673 622
24 month past due	811 970	145 628

Factors the council considered in assessing statutory receivables past due but not impaired Factors the council considered in assessing statutory receivables past due but not impaired

The fines group of debtors have a consistent track record of eventually paying after due date.

There are partial payments still being received.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

7. Receivables from non-exchange transactions (continued)

Receivables impaired

Relating specifically to Statutory Receivables

As of 31 March 2026, statutory receivables of R 5 295 698 (2025: R 5 831 752) were impaired and provided for.

The amount of the provision was R 1 004 135 as of 31 March 2026 (2025: R 1 525 479).

The ageing of these statutory receivables are as follows:

Over 6 months	9 079	27 259
Over 36 months	353 522	364 718
Registration membership suspended	5 454 900	5 070 978

Factors the council considered in assessing statutory receivables impaired Factors the council considered in assessing statutory receivables impaired

The factors considered in assessing statutory receivable impaired are as follows:

- The membership of educators suspended as at 31 March

- The debt is past due date

8. Cash and cash equivalents

There are no legal, contractual and statutory conditions causing restriction on the use of cash and cash equivalents.

Cash and cash equivalents consist of:

Cash on hand	43 755	39 317
Bank balances	92 252 719	78 773 931
Short-term deposits	77 815 535	72 565 349
	170 112 009	**151 378 597**

9. Payments received in advance

Payments received in advance relate to the fees received from suspended educators, unregistered educators, and payments made in advance for future membership fees.

These payments will be recognised as revenue upon registration, reinstatements and membership billings in the next billing circle.

Registrations, reprints, reinstatements and membership fees	23 407 001	15 894 452

10. Registration, reprints and reinstatements

Registration fees	9 222 800	9 303 600
Reprint of certificates	1 353 950	1 822 550
Reinstatements fee	21 108 056	9 011 994
Letter of good standing	800	5 600
	31 685 606	**20 143 744**

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
11. Equipment rentals		
Plant and equipment		
Rental expenses	20 432	19 674
12. Interest revenue		
Interest received		
Bank	8 918 524	9 022 355
Interest received	1 009	9 394
	8 919 533	**9 031 749**
13. Employee related costs		
Total salaries and other costs	55 790 581	52 488 579
Medical aid - company contributions	3 476 415	3 327 587
UIF	590 645	558 040
WCA	83 228	89 541
SDL	625 047	565 351
Leave pay accrual	988 078	404 527
Pension fund	10 242 422	9 518 888
	71 796 416	**66 952 513**
14. Depreciation and amortisation		
Property, plant and equipment	4 136 859	3 738 962
Intangible assets	606 017	185 284
	4 742 876	**3 924 246**
15. Debt impairment		
Provision for debt Impairment	5 295 698	5 831 752

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

16. General expenses

Advertising	214 000	68 603
Auditors remuneration	584 154	958 577
Bank charges	1 590 464	1 203 366
Cleaning	649 189	777 790
Consulting and professional fees	4 023 298	5 639 996
Fines and penalties	3 276	516
Insurance	846 744	785 405
Planning and monitoring	1 028 358	822 019
Motor vehicle expenses	42 038	70 403
Postage and courier	(239)	1 827
Printing and stationery	249 782	568 604
Database maintenance costs	6 506 187	6 020 298
Repairs and maintenance	1 479 677	1 830 821
Security (Guarding of municipal property)	1 847 045	1 655 795
Staff welfare	85 653	87 290
Subscriptions and membership fees	2 527 204	1 984 527
Telephone and fax	1 248 212	1 374 991
Training	514 616	340 308
Travel - local	3 010 926	4 034 720
Travel - overseas	1 242 933	1 306 669
Utilities - Other	4 640 824	4 120 912
Registration	6 101 351	2 289 245
Professional development	15 184 840	11 125 817
Professional ethics	7 824 468	5 073 562
Communications	3 326 308	4 533 537
Research	3 655 418	2 568 097
Teacher professionalization	-	1 343 194
	68 426 726	**60 586 889**

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

17. Cash generated from operations

Surplus	10 146 896	7 777 031
Adjustments for:		
Depreciation and amortisation	4 742 876	3 924 246
Loss on disposal of assets	(20 800)	15 934
Debt impairment	5 295 698	5 831 752
Debt Written-off	(5 817 500)	(5 436 176)
Changes in working capital:		
Other receivables	222 665	(540 879)
Receivables from non-exchange transactions	518 514	(742 759)
Payables from exchange transactions	(1 180 276)	11 978 064
Payments received in advance	7 512 549	6 172 983
	21 420 622	**28 980 196**

18. Financial Instruments - Risk Management and Other Disclosures

Significance of financial instruments for financial position and financial performance

Statement of financial position

Categories of financial assets and financial liabilities

Carrying amounts of financial assets

Class of financial instrument 2026

	Note(s)	At amortised cost	Total
Cash and cash equivalents	8	170 112 009	170 112 009

Class of financial instrument 2025

	Note(s)	At amortised cost	Total
Cash and cash equivalents	8	151 378 597	151 378 597

Carrying amounts of financial liabilities

Class of financial instrument 2026

	Note(s)	At amortised cost	Total
Trade and other payables from exchange transactions		32 171 878	32 171 878

Class of financial instrument 2025

	Note(s)	At amortised cost	Total
Trade and other payables from exchange transactions		33 352 157	33 352 157

Statement of financial performance

Items of revenue, expenses, gains or losses

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

18. Financial Instruments - Risk Management and Other Disclosures (continued)

Nature and extent of risks arising from financial instruments

Qualitative & Quantitative disclosures

Credit risk

The credit risk management practice

The treasury counterparties consist of diversified financial institutions. The cash and cash equivalents are placed with different financial institutions to minimise the risk. The treasury counterparties with a positive long term national rating of AAA by S&P (Nedbank) holds more than 54% of the cash and cash equivalents, the council does not expect any treasury counterparties to fail in meeting their obligations. The remaining cash and cash equivalents is held with the South African Reserve Bank.

Trade receivables comprise a widespread compulsory membership base. Management evaluated credit risk relating to its members on an ongoing basis. Otherwise, if there is no independent rating, risk control assesses the credit quality of the members, taking into account its financial position, past experience and other factors

The council does not have past due financial assets.

Credit risk exposure

2026

Gross carrying amount by credit risk rating grades of financial assets

	Instruments for which loss allowance is measured at: 12-month expected credit losses (ECL)
Financial assets/Area 1 (specify)	
Credit rating applied: [Class specify]	
Grade 1 (specify)	170 112 009

2025

Gross carrying amount by credit risk rating grades of financial assets

	Instruments for which loss allowance is measured at: 12-month expected credit losses (ECL)
Financial assets/Area 1 (specify)	
Credit rating applied: [Class specify]	
Grade 1 (specify)	151 378 597

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

18. Financial Instruments - Risk Management and Other Disclosures (continued)

Liquidity risk

The council manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash generated from operations.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

At 31 March 2026	<12 Months	Total
Payables from exchange transaction	18 138 999	18 138 999

At 31 March 2025	<12 Months	Total
Payables from exchange transaction	19 528 334	19 528 334

Market risk

Sensitivity analysis

Interest rate risk

The council's interest rate risk arises from cash and cash equivalents. The cash and cash equivalents include interest earned from deposits and are issued at variable rates expose the council to cash flow interest rate risk.

The council's overral income is substantially independent of changes in market interest rates as its primary revenue sources are not interest-sensitive.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

19. Contingencies

Litigation is in the process against the council relating to a dispute with a former employee and is seeking damages equal to the annual remuneration at the time of termination R 945 641. The matter relates to one employee whose contract ended with no option of renewal. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should beNresolved soon.

Litigation is in the process against the council relating to a dismisal of 1 employee. The matter is subsequently before the labour court. The employees are seeking reinstatement or damages of R 1 179 904. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should be resolved within the next two years..

Litigation is in the process against the council relating to a dismisal of 22 employee. The matter is subsequently before the labour court. The employees are seeking damages equal to the annual remuneration at the time of termination of R 7 998 545. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should be resolved soon.

A review application with the labour court is in the process against the council relating to the CCMA award. The award required the council to pay the former employee an amount of R 144 827, the amount is held in the attorney's trust pending the finalization of the review process.

Surrender of surpluses

The council 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 council invests surplus funds with the Corporation for Public Deposits.

The surplus of R 117 711 651 has been classified as a contingent liability at 31 March 2026.

The council's view is that the surplus remains a contingent liability until the approval for retention by the national treasury after the 30th of September 2026. The council anticipate that the national treasury will approve the surplus retention and accordingly the surplus amount has been disclosed as a contingent liability rather than a liability.

Figures in Rand	2026	2025
Cash and cash equivalents	170 112 009	151 378 397
Add: Receivables	3 178 521	3 397 908
Less: Current liabilities	(55 578 879)	(49 246 609)
Subtotal	117 711 651	105 529 696
	117 711 651	**105 529 696**

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

20. Related parties

Relationships

Controlling entity — National government through the executive authority - the minister of basic education

*All members of council are related parties. Refer to the council report on the financial statement where all council members are listed. The council does not remunerate its council members.

*The Minister of Basic Education is a related party. The minister is the executive authority to the council as mandated by legislation.

*The South African Council for Educators is presumed to be related to all other government entities within the national sphere of government, by virtue of its classification as a national public entity. All the parties that have the ability to control or exercise significant influence over the South African Council for Educators in making financial and operating decisions were considered to be related parties of the council.

Related party balances

Amounts included in receivables (payables regarding fellow controlled entities)		
Compensation fund	(8 999)	(3 604)
ETDP SETA	(87 418)	82 913
Government grant from controlling entity		
Department of Basic Education	17 170 000	16 434 000
Transactions between fellow controlled entities		
National treasury	392 299	160 150
Compensation fund	83 228	89 541
ETDP SETA	170 330	207 731

Related party transactions

Loans to key management	Opening balance	Loans advanced	Loans repaid	Closing balance
Mapula Ella Mokgalane - Chief Executive Officer (key management)	35 545	50 000	(65 000)	20 545

Remuneration of management

Management class: Executive management

2026

Name	Basic salary	Annual bonus	Travel and housing allowance	Contribution to UIF, Medical and Pension Fund	Total
Mapula Ella Mokgalane - Chief Executive Officer	1 599 289	133 274	676 927	308 766	2 718 256
Gezani Morris Mapindani - Chief Financial Officer	1 384 720	115 393	577 759	237 695	2 315 567
Nkele Yvone Lechaba - Senior Manager Professional Registration	886 647	73 887	346 083	187 616	1 494 233

Notes to the Annual Financial Statements

Figures in Rand

20. Related parties (continued)

Tuzana Valerie Sophethe - Acting Head Professional Development and Ethics	852 023	71 001	368 839	181 542	1 473 405
	4 722 679	**393 555**	**1 969 608**	**915 619**	**8 001 461**

2025

Name	Basic salary	Annual Bonus	Travel and housing allowance	Contribution to UIF, Medical and Pension Fund	Total
Mapula Ella Mokgalane - Chief Executive Officer	1 512 179	126 015	605 432	292 601	2 536 227
Gezani Morris Mapindani - Chief Financial Officer	1 309 180	109 098	541 684	237 354	2 197 316
Nkele Yvone Lechaba - Senior Manager Professional Registration and Certification	837 966	69 830	319 470	177 986	1 405 252
Tuzana Valerie Sophethe - Acting Head Professional Development and Ethics	795 416	66 285	315 845	178 420	1 355 966
	4 454 741	**371 228**	**1 782 431**	**886 361**	**7 494 761**

21. Change in estimate

Property, plant and equipment

The useful life of certain computer equipments was estimated in 2025 to be 3 to 18 years. In the current period management have revised their estimate within the estimated range. The effect of this revision has decreased the depreciation charges for the current period by R 331 745

The useful life of certain furniture and fittings was estimated in 2025 to be between 2 and 30 years. In the current period management have revised their estimate up to 35 years. The effect of this revision has decreased the depreciation charges for the current period by R 106 776

The useful life of certain office equipments was estimated in 2025 to be between 2 and 35 years. In the current period management have revised their estimate up to 35 years. The effect of this revision has decreased the depreciation charges for the current period by R 17 954

The useful life of vehicles was estimated in 2025 to be between 5 and 13 years. In the current period management have revised their estimate up to 14 years. The effect of this revision has decreased the depreciation charges for the current period by R 821

Asset type	Depreciation	Impact on depreciation	Total
Computer equipments	1 012 136	(331 745)	680 391
Office equipments	1 064 692	(17 954)	1 046 738
Furniture and fittings	475 733	(106 776)	368 957
Motor vehicles	256 185	(821)	255 364
	2 808 746	**(457 296)**	**2 351 450**

Notes to the Annual Financial Statements

Figures in Rand

21. Change in estimate (continued)

Intangible assets

The useful life of certain computer software inernally generated was estimated in 2025 to be 5 to 18 years. In the current period management have revised the useful life of individual assets within the estimated range. The effect of the revision decreased the amortization charges for the current period by R 74 743.

The useful life of certain computer software was estimated in 2025 to be 3 to 18 years. In the current period management have revised the useful life of individual assets within the estimated range. The effect of the revision decreased the amortization charges for the current period by R 290 644.

Asset type	Amortization	Impact on amortization	Total
Computer software, internally generated	162 832	(74 743)	88 089
Computer software	808 572	(290 644)	517 928
	971 404	**(365 387)**	**606 017**

22. Prior-year adjustments

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

Statement of financial position

2025

	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions		(33 068 622)	(283 535)	(33 352 157)
Property, plant and equipment		91 777 171	(1 147)	91 776 024
Other receivables		2 437 204	16 990	2 454 194
		61 145 753	**(267 692)**	**60 878 061**

Statement of financial performance

2025

	Note	As previously reported	Correction of error	Restated
Membership fee		97 736 760	1 098	97 737 858
Loss on disposal of assets		(31 774)	15 841	(15 933)
General expenditure		(60 337 601)	(249 288)	(60 586 889)
Surplus for the year		**37 367 385**	**(232 349)**	**37 135 036**

23. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	728 552	29 894
Fruitless and wasteful expenditure	4 847	2 097
Closing balance	**733 399**	**31 991**

***Refer to reconciling notes in the annual report**

Notes to the Annual Financial Statements

23. Irregular and Fruitless and Wasteful Expenditure (continued)

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Irregular expenditure

Four cases reported and still under investigation.

Fruitless and wasteful expenditure

Seven cases reported relating to late payment charges and still under investigation.

24. Segment information

General information

Segment reporting

The council has considered the requirements of GRAP 18 Segment Reporting in identifying reportable segments.Management has determined that the entity operates as a single reportable segment, as the Chief Executive Officer reviews the financial performance and allocates resources on an entity-wide basis. The council's activities are managed as a single integrated operation and are not subject to separate performance evaluation for resource allocation purposes.

Accordingly, no separate segment information has been presented, as the council has only one reportable segment.

25. Budget differences

Material differences between budget and actual amounts

The budget was prepared on an accrual basis covering the financial year ended 31 March 2026. The variances between budget and actual which are 10% and R 100 000 above and below budget are explained below.

25.1 Registration, reprints and reinstatements

The council has over collected on registration fee, reprints and reinstatement fee. This was due to the revenue collection drive during the year.

25.2 Fines, Penalties and forfeits

The council has over collected against the budget due to the higher number of educators fined during the year .

25.3 Membership fees

The council has under collected on membership fees. This was due to the lower than expected compliance from educators.

25.4 Personnel

Personnel related costs are below the budget due to the number of vacant positions not filled during the year under review.

25.5 Membership fees written-off

The membership fees written-off is above the budgeted for 2026 financial year. This is due to the increased number of billed educators for the current financial year

25.6 General expenses

The general expense is below the budget due to the cost containment measures implemented to save costs and late approval of the revised budget.

Notes to the Annual Financial Statements

25. Budget differences (continued)

25.7 Professional Registration and Certification

Professional Registration and Certification expense is below the budget due to the late approval of the revised budget.

25.8 Professional development

Professional development expense is below the budget due to the late approval of the revised budget.

25.9 Ethics

Ethics expense is below the budget due to the late approval of the revised budget.

25.10 Research

Research expense is below the budget due to the late approval of the revised budget.

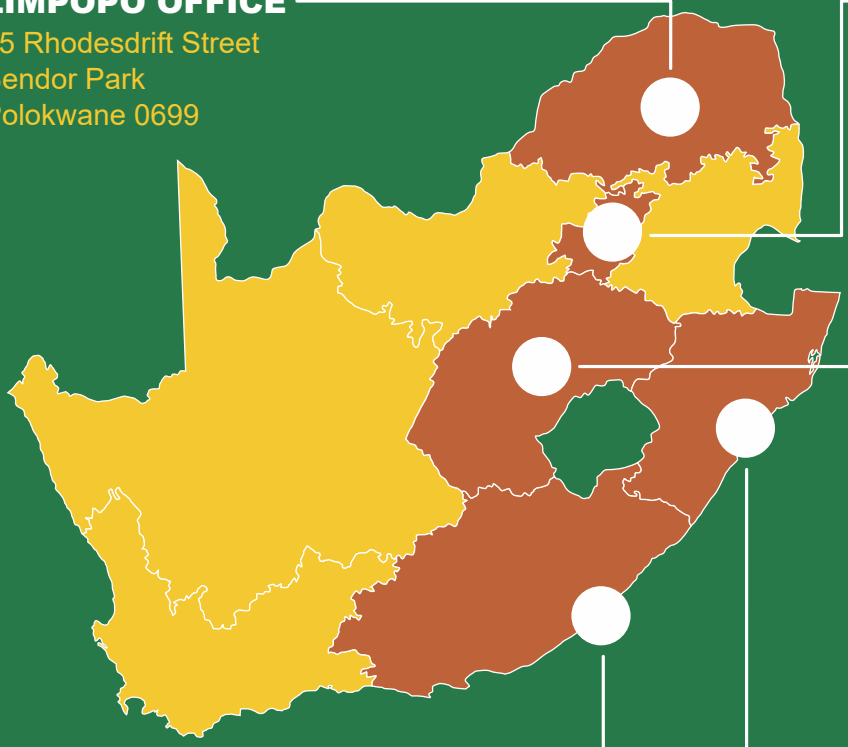
25.11 Capital expenses - Intangible assets

Intangible asset is below the budget due to the delay in the implementation of the SACE system integration.

Changes from the approved budget to the final budget

Approved budget: The council had an approved budget of R123 880 196 for the financial year ending 31 March 2026.

Final Budget: The council embarked on a revenue collection drive at the end of the third quarter of the financial year that yielded positive results. The positive outcome necessitated the adjustment of the budget from the initial amount of R 123 880 196 to the revised budget of R156 080 196.



LIMPOPO OFFICE
25 Rhodesdrift Street
Bendor Park
Polokwane 0699

HEAD OFFICE
Crossway Office Park
Block 1, 240 Lenchen Avenue
Centurion 0157

FREE STATE OFFICE
2 Genius Loci Park
CP Hoogenhout Street
Langenhoven Park
Extension 7
Bloemfontein 9301

EASTERN CAPE OFFICE
33 Bonza Bay Drive
Bonza Bay
East London 5241

KWAZULU-NATAL OFFICE
4 The Spinnaker
180 Mahatma Gandhi Road
Durban 4001

Tel: 012 663 9517 | **Email:** info@sace.org.za | **Website:** www.sace.org.za
Facebook and SACE X — @SACE9
LinkedIn — South African Council For Educators (SACE)
TikTok — SACE @saceforteachers
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