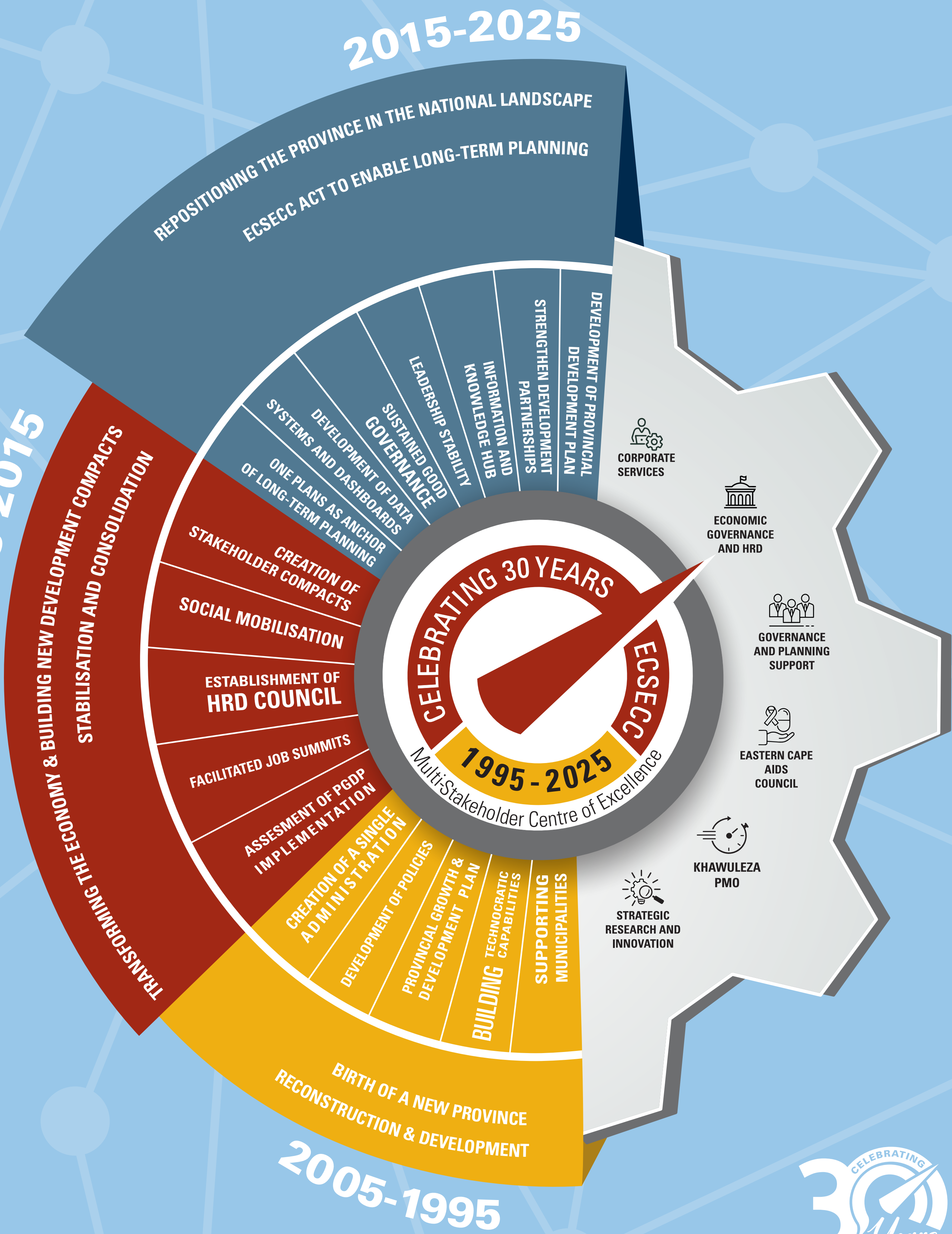
ecsecc
eastern cape socio economic consultative council

ANNUAL REPORT 2024/2025



CELEBRATING 30 Years
Fetching the future

EASTERN CAPE SOCIO-ECONOMIC CONSULTATIVE COUNCIL

ANNUAL REPORT

2024/2025 FINANCIAL YEAR

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1995- 2025

CELEBRATING 30 YEARS OF ECSECC

CELEBRATING 30 Years

Fetching the future

PART A

GENERAL INFORMATION

CELEBRATING 30 YEARS ECSECC 1995 - 2025 Multi-Stakeholder Centre of Excellence

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01 ECSECC'S GENERAL INFORMATION

REGISTERED NAME:	Eastern Cape Socio-Economic Consultative Council (ECSECC)
REGISTRATION NUMBER:	1999/024315/08
REGISTERED PHYSICAL ADDRESS:	12 Gloucester Road Vincent East London 5217
POSTAL ADDRESS:	Postnet Vincent Private Bag X 9063 Suite No. 302 Vincent, 5247
CONTACT TELEPHONE NUMBER/S:	(043) 701 3400
EMAIL ADDRESS:	info@ecsecc.org
WEBSITE ADDRESS:	www.ecsecc.org
EXTERNAL AUDITORS:	The Auditor-General of South Africa
BANKERS INFORMATION	Standard Bank, 58 Frere Road, Vincent, East London
COMPANY/ BOARD SECRETARY	Ms Nozuko Somniso Executive Secretary and Chief Risk Officer
TAX EXEMPTION	Reference number: 9043105049 under Section 30(3) of the Income Tax Act No.58 of 1962

02 LIST OF ABBREVIATIONS/ACRONYMS

AfCFTA: African Continental Free Trade Area
AFS: Annual Financial Statements
AGSA: Auditor-General of South Africa
AGYW: Adolescent Girls and Young Women
AI: Artificial Intelligence
AIDC-EC: Automotive Industry Development Centre - Eastern Cape
AIDS: Acquired Immunodeficiency Syndrome
AOP: Annual Operational Plan
APP: Annual Performance Plan
BCMM: Buffalo City Metropolitan Municipality
BRICS: Brazil, Russia, India, China and South Africa
CEO: Chief Executive Officer
COE: Cost of Employment
COBIT: Control Objectives for Information Technologies
COGTA: Cooperative Governance and Traditional Affairs
CSIR: Council for Scientific and Industrial Research
DDM: District Development Model
DEDEAT: Department of Economic Development, Environment and Tourism
DM: District Municipality
DMRE: Department of Mineral Resources and Energy
DOH: Department of Health (national)
DoH: Department of Health - Eastern Cape
DOT: Department of Transport
DPME: Department of Planning, Monitoring and Evaluation
DRDAR: Department of Rural Development and Agrarian Reform
EAP: Economically Active Population
ECAC: Eastern Cape AIDS Council
EC-COGTA: Eastern Cape Department of Co-operative Governance and Traditional Affairs
ECD: Early Childhood Development
ECDC: Eastern Cape Development Corporation
ECDoE: Eastern Cape Department of Education
ECPDC: Eastern Cape Provincial Development Convention
ECRDA: Eastern Cape Rural Development Agency
ECSECC: Eastern Cape Socio-Economic Consultative Council
ELIDZ: East London Industrial Development Zone
ESD: Eastern Seaboard Development
GDP: Gross Domestic Product
GDP-R: Real Gross Domestic Product
GFCF: Gross Fixed Capital Formation
GIS: Geographical Information System
GRAP: Generally Recognised Accounting Practice
GVA: Gross Value Add
HDI: Human Development Index
HH: Households
HIV/AIDS: Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome
HIV: Human Immunodeficiency Virus
HIV+: Human Immunodeficiency Virus Positive
HRD: Human Resource Development
HRDS-SA: Human Resource Development Strategy - South Africa
ICASA: National Independent Communications Authority of South Africa
ICT: Information and Communication Technologies
INEP: Integrated National Electrification Programme
KPMO: Khawuleza Portfolio Management Office
LE: Life Expectancy
LGBTQIA+: Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, or Asexual
LQ: Location Quotient
MFMA: Municipal Finance Management Act
MTEF: Medium-Term Expenditure Framework
MTSF: Medium-Term Strategic Framework
NATED: National Accredited Technical Education Diploma
NCASC: New Coastal African Smart City
NCD: Non-Communicable Diseases
NDP: National Development Plan
NESD: National Eastern Seaboard Development
NGO: Non-Governmental Organisation
NT: National Treasury
OTP: Office of the Premier
PDP: Provincial Development Plan
PFMA: Public Finance Management Act
PICC: Presidential Infrastructure Coordinating Commission
PIP: Provincial Implementation Plan
PLHIV: People Living with HIV
PMO: Programme Management Office or Project Management Office
P-MTSF: Provincial Medium-Term Strategic Framework
P-MTDP: Provincial Medium-Term Development Plan
PDP: Provincial Development Plan
PSC: Public Service Commission
PSDF: Provincial Spatial Development Framework
SA: South Africa
SAIMI: South African International Maritime Institute
SAMSA: South African Maritime Safety Authority
SANAC: South African National AIDS Council
SANAS: South African National Accreditation System
SANBS: South African National Blood Service
SANRAL: South African National Roads Agency SOC Ltd
SCM: Supply Chain Management
SERO: Annual State of the Eastern Cape Socio-Economic Report
SLA: Service Level Agreement
SMMEs: Small, Medium and Micro Enterprises
SOP: Standard Operating Procedures
SOPA: State of the Province Address
SRD: Social Relief of Distress Grant
STATA: Statistical Software for Data Sciences
STEM: Science, Technology, Engineering and Mathematics
STI: Sexually Transmitted Infections
TB: Tuberculosis
TID: Technical Indicator Description
TVET: Technical Vocational Education and Training
UAE: United Arab Emirates
UNAIDS: United Nations Programme on HIV and AIDS
WBIS: Ward-based Information System
WCC: Wild Coast Corridor
YoY: Year-on-year

03 FOREWORD BY THE CHAIRPERSON

With a deep sense of humility and commitment to transformative governance, Eastern Cape Socio Economic Consultative Council (ECSECC) presents the Annual Report for the 2024/2025 financial year. This annual report reflects ECSECC's achievement of its outcomes, marking ECSECC's contribution towards the attainment of the priorities of the sixth term of government. It also reflects explicitly ECSECC's annual targets set for 2024/2025 as the final year of the 2020/2025 strategy period: progress, challenges, and future direction.

The 2024/2025 year marks the end of a five-year strategy period from 2020 and the beginning of the 2025/2030 strategy period. In the 2020/2025 strategy, ECSECC's Impact Statement expressed that it sought to "Sustainably attain productive employment, prosperity and equity for all", with its original three measurable outcomes being:

- A developmental state that actively leads development through partnerships.
- An inclusive economy that grows sustainably, that creates decent jobs, and is innovative; and
- A healthy, educated, and productive workforce and citizenry.

We are publishing this annual report in a significant year in the history of ECSECC as the entity celebrates 30 years of existence. Since 1995, ECSECC has been the glue that holds together key stakeholders in the Eastern Cape, which are provincial government, labour, organised business, local government, civil society and higher education.

Through ECSECC, these stakeholders jointly pursue shared goals and fully participate in decision-making on the implementation of policies for the socio-economic development of the Eastern Cape.

In the period under review and over the 30 years, to attain a developmental state that actively leads development through partnerships, ECSECC's work supported the government and its partners on the overarching mission of advancing socio-economic transformation, to create jobs, and strengthen collaborative planning and plans of people-centricity driven by the government.

In pursuit of an educated and productive workforce and citizenry, the support of the Human Resource Development (HRD) Council to the education sector has been positive, with special attention on developing a foundational base of skills for the future of work, putting Science, Technology, Engineering, and Mathematics (STEM) at the centre. Our four universities, Rhodes, Nelson Mandela, Fort Hare, and Walter Sisulu, have been instrumental in these collaborations. There is a rise in the percentage of learners who are passing the STEM subjects, which bodes well for the province to develop skills for the future.

To achieve a healthy, educated, and productive workforce and citizenry, through the Eastern Cape AIDS Council (ECAC) and our partners, ECSECC continues to work tirelessly to improve the health profile of our province. Life expectancy for women improved from 55,2 in 2001 to 67,2 in 2024. Men are also living ten years longer than they were in 2001. Specifically, ECAC is focused on ensuring that the province improves health outcomes by meeting the targets of the HIV and AIDS 95-95-95 strategy. So far, as at February 2025, in the Eastern Cape, 93% of individuals who are living with HIV know their status, 81% are on treatment, and 93% show viral load suppression.

MS. THOBILE BUTHELEZI
Chairperson of the ECSECC BOARD

Towards an inclusive economy that grows sustainably, that creates decent jobs, with innovation, ECSECC collaborates with social partners to create a conducive environment for investments in the Eastern Cape. Supporting the Office of the Premier (OTP), ECSECC has been one of the key partners at the centre of organising the various investment conferences, where investment pledges worth more than R200 billion were committed so far. ECSECC supports the province with high-quality research and knowledge products to drive economic growth through the five growth frontiers, namely: agriculture, manufacturing, oceans economy, digital economy, and tourism.

In the year preceding the one under review, ECSECC received a clean audit for the twelfth consecutive year. ECSECC strives to be a model entity for good governance. As the Board instructed that after the tenth clean audit, management must endeavour to find new frontiers that challenge the entity in maintaining the status of a well-run organisation. Hence, in the middle of the strategy period, a fourth outcome was added: "Increased organisational maturity." ECSECC continues to strive for prudent management and value-for-money from our allocated resources.

Going into the future, the Shareholder Mandate is clear that ECSECC must play an even greater role in the socio-economic development of our province. ECSECC appreciates the fact that the newly enacted ECSECC Act (No. 5 of 2024) confers the functions of long-term planning for the province to ECSECC. Our thinking caps are on to lead provincial planning beyond 2030. The Board believes ECSECC is equal to this task, as ECSECC has already prepared the ground by hosting a successful and inclusive Eastern Cape Development Convention in November 2023, which brought together all stakeholders in the province in one room to discuss the shared development agenda.

The next five years of ECSECC will be crucial in supporting the government and its stakeholders to fast-track socio-economic development. As a result, ECSECC has adopted a new five-year strategy themed: Fetching the Future. To ensure the successful implementation of this strategy, ECSECC will focus on building capacity in four main areas, including strengthening evidence bases, supporting modelling and planning, deploying innovative tools and toolkits, and enhancing governance and accountability.

On behalf of the ECSECC Board, management, and staff, we appreciate our shareholders and stakeholders for supporting ECSECC in implementing the Annual Performance Plan (APP) successfully in the 2024/25 financial year. Without their support, ECSECC would not have achieved its targets of contributing to the overall vision of building the Eastern Cape we want.

MS. THOBILE BUTHELEZI
Chairperson of the ECSECC BOARD
29 August 2025

04 CHIEF EXECUTIVE OFFICER'S OVERVIEW

ECSECC's Management Team is honoured to present the Annual Report of the Eastern Cape Socio-Economic Consultative Council (ECSECC) for the 2024/25 financial year to stakeholders and the broader public of the Eastern Cape Province. This annual report carries great significance, as it is presented in a year ECSECC is celebrating 30 years of existence.

ECSECC family (Constituencies, Board of Directors, Management, and the entire personnel), and past employees of ECSECC on whose behalf management represents, when management says it is an immense moment of pride to see ECSECC reaching the 30-year milestone of contributing to the socio-economic development agenda of the Eastern Cape. At ECSECC, the Eastern Cape Development Agenda (Provincial Development Plan (PDP)) is translated into the five-year (5) Strategic Plans, and the same is translated into Annual Performance Plans in an ever-volatile, complex, ambiguous and uncertain world. The year under review is the last year of the 2020-2025 Strategic Plan period and therefore represents a pinnacle point of reflection on the milestones and contributions of ECSECC in the endeavour to achieve the goals of the PDP.

Over the year under review, ECSECC has made contributions in the policy, knowledge, and development landscape of the province on the following interoperable but not limited to, areas:

- Knowledge generation (research) and knowledge brokering (socio-economic outlooks, data synthesis and analysis) for scientific evidence-based planning in economic development and development agenda planning coherence in the province and its regional space, including.
- Providing a formidable project portfolio management support for catalytic projects.
- Systematising partnerships for cocreating visions and tangible interventions to stimulate development thought leadership.
- Coordinating HIV/Aids |TB | STI response for a healthy citizenry.

This 2024-2025 Annual Report provides the details of EC-SECC's performance record with notable highlights below.

Knowledge generation (research) and knowledge brokering.

The high-quality knowledge, research products, and evaluation reports are geared to contributing to strengthening the nexus between science, policy development and implementation. These products include, but are not limited to, four (4) critical analytical Quarterly GDP Outlooks, Quarterly Labour Market Survey, and one annual Socio-Economic State of the Eastern Cape Report (SERO) that served as a foundational data source for sectoral departments' Annual Performance Plans. Including conducting a Rapid Evaluation of the Government Performance in the sixth administration, amongst others. An applied research report that explored the Economic Resilience Index (ERI), which ranked South African provinces based on their economic resilience.

MR. LUVUYO MOSANA
Chief Executive Officer ECSECC

Project Portfolio Management Support for Catalytic Projects

In the year ECSECC produced twelve (12) business intelligence (BI) reports that cover progress and impact of various projects from Welisizwe Rural Bridges, Deep Analysis of the Social Infrastructure Landscape in the Eastern Cape, to BI reports on Integrated Food Security. ECSECC's support to the government and other stakeholders included production of twelve strategic portfolio briefings for decision-making, from Renewable Energy, Marine Tilapia, to Three Capes Green Hydrogen, among others. Along these, ECSECC produced business cases on the Commercialisation of State-Owned Farms in the Eastern Cape, Chief Dawid Stuurman International Airport.

Systematising partnerships

Across all the ECSECC programmes have emerged a great responsiveness to the Board of Directors call for purposeful partnerships that syndicate decoloniality knowledge, policy knowledge, economic trade and investment capabilities, development of young/student entrepreneurs and science, technology, mathematics for future skills development, regional innovation strategy. All these partnerships are intended to impact people and their spaces.

HIV/Aids | TB | STI response for a healthy citizenry

Strong coordination of structures for an impactful response has been foundational to the development of the response programme, the Provincial Implementation Plan (PIP). These structures have not relented to the changing global resources flow but have shown determination as they launched new campaigns like Zikhala Kanjani to strengthen the U=U.

Consolidating into a fit-for-purpose organisation of the future

Indeed, as the renowned founder and CEO of Tech Giant Apple, the late Steve Jobs once said: "The only way to do great work is to love what you do,". As ECSECC management, we can vouch that at ECSECC, we are a team that is driven by love for our province, its people and passion for the work we do. In the period under review, we began the process of a skills audit to match the skills of our employees to the requirements of our new five-year strategic plan. Our employees are embracing and fully participating in the skills audit process because they understand it is a necessary exercise to build an ECSECC that will withstand the demands of the future.

Every rand and cent allocated to ECSECC is accounted for without exception, and this is a standard we are committed to upholding. As an organisation that prides itself on the values of integrity, in this annual report, we are tabling 95% spending of our budget, with no irregular expenditure and R3,060 fruitless and wasteful expenditure which was subsequently recovered after year end.

In this reporting period, ECSECC has achieved its 13th consecutive clean audit, and management believes that this is a product of the determination by the ECSECC board and employees to achieve the highest standards of financial accountability.

The above summary overview of achievements has been made possible by the continued stern oversight of the Portfolio Committee of the Office of the Premier, strategic leadership of the Premier, our Board of Directors, and the purposeful commitment of the Office of the Premier to support ECSECC's success. To all, ECSECC is indebted.

LMosana

MR. LUVUYO MOSANA

Chief Executive Officer ECSECC

29 August 2025

05 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements (AFS) audited by the Auditor-General of South Africa (AGSA).

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

The annual report has been prepared in accordance with the annual report guidelines for Schedule 3A and 3C public entities issued by the National Treasury in March 2025.

The Annual Financial Statements (Part F) comply with the General Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for preparing the annual financial statements and judgments on 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.

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

Yours faithfully

MR. LUVUYO MOSANA
Chief Executive Officer
29 August 2025

MS. THOBILE BUTHELEZI
Chairperson of the Board
29 August 2025

06 STRATEGIC OVERVIEW

6.2 MISSION

To be a multi-stakeholder centre of excellence in strategic foresight, social collaboration, and innovative solution design

6.1 VISION

A prosperous and productive Eastern Cape where all people realise their potential

6.3 VALUES

ECSECC continues to be driven by the values of a just society and the professionalism of cutting-edge international socio-economic policy research institutes.

The values below have been developed based on employee contributions and discussions:

Values	Value Statement
Social justice	We embrace socially just values such as the equal worth of all citizens, the need to provide equal opportunity and the elimination of inequality and injustice based on race, gender, sexuality, age, ability, or any other grounds. Universal human rights and the Constitution of South Africa form the basis of our values.
Respect	We respect everyone and their unique ideas, beliefs, cultures, personal situations, resources, values, priorities, and objectives equally. The act of listening is critical, and the value of respect is premised on understanding and empathy.
Excellence	We are committed to excellence and always providing value to our partners and stakeholders. We set and achieve ambitious goals and model positive examples.
Learning and innovation	We practice life-long learning and cultivate a culture of learning in the organisation and through our work. We actively learn from each other and are willing to take on new challenges to learn and grow. We are open to ideas that challenge conventional views, and we drive innovation by creating safe spaces for learning through action.
Integrity	We strive for integrity by being honest and demonstrating sound moral and ethical principles. We are true to our values, act per them and consider the consequences of our actions on others.
Collaboration and co-creation	As a multi-stakeholder council, we believe in the power of working across multiple organisations and constituencies. Multiple stakeholders collaborate to co-create new policies and practices to generate system-wide change. We practice collaboration between colleagues and teams and base this on strong communication.

07 LEGISLATIVE AND OTHER MANDATES

7.1 Constitution Mandate

As a public entity located in the Office of the Premier of the Eastern Cape, ECSECC's mandate derives from the constitutional mandate of the Premier. The constitutional mandate of the Premier, in turn, derives from the following sections of the Constitution:

- Section 125 which vests the executive authority of the Province in the Premier, together with members of the Executive Council;
- Section 127 which defines the powers and functions of the Premier; and
- Section 130 which defines the term of the Office of the Premier.

Section 125 of the Constitution makes the Premier the executive authority of the Province and allows the Premier to exercise executive authority to:

- Implement and administrate national and provincial legislation;
- Developing and implementing provincial policy;
- Coordinating the functions of the provincial administration and its departments;
- Preparing and initiating provincial legislation; and
- Performing all functions assigned to the provincial executive by the Constitution.

As a consultative council of the Office of the Premier, ECSECC is therefore responsible for providing policy advice, advancing stakeholder engagement and supporting implementation to the Office of the Premier in support of its constitutional mandate implementation.

The constitutional mandate of the Office of the Premier to advance consultation in part also emanates from Chapter 3 of the Constitution, which provides the constitutional mandate to advance the principles of cooperative governance. In terms of the Office of the Premier's constitutional mandate, ECSECC's responsibility is to:

- Facilitate cooperation, good faith and trust amongst organs of state;
- Foster friendly relations;
- Provide assistance and support;
- Inform relevant parties of and consult on matters of common interest;
- Coordinate actions and legislation;
- Adhere to agreed procedures; and
- Assist in avoiding legal proceedings.

Section 125 of the Constitution also states the constitutional imperative of cooperative governance, providing the mandate to coordinate functions of provincial administration and its departments.

The constitutional mandate to advance policy advice and support implementation efforts also emanates from Section 125 of the Constitution, which empowers the Office of the Premier to develop and implement provincial and national policy.

The Constitution, together with the Acts and Regulations listed hereunder, guide and direct the actions, performance and responsibilities carried out by ECSECC on behalf of the Office of the Premier, per the latter's constitutional mandate:

- ECSECC Act 5 of 2024
- Basic Conditions of Employment Act 75 of 1997
- Broad-based Black Economic Empowerment Act 53 of 2003
- Compensation for Occupational Injuries and Diseases Act 30 of 1993
- Consumer Protection Act 68 of 2008
- Division of Revenue Act (annually)
- Electronic Communications and Transactions Act 25 of 2002
- Employment Equity Act 55 of 1998
- Employment Services Act 4 of 2014
- Financial Intelligence Centre Act 38 of 2001
- Geomatics Profession Act 19 of 2013
- Government Employees Pension Law, Proclamation 21 of 1996
- Income Tax Act 58 of 1962
- Intelligence Services Act 65 of 2002
- Intergovernmental Relations Framework Act 13 of 2005
- Labour Relations Act 66 of 1995
- Local Government: Municipal Systems Act 32 of 2000
- National Archives and Record Service of South Africa Act 43 of 1996
- National Qualifications Framework Act 67 of 2008

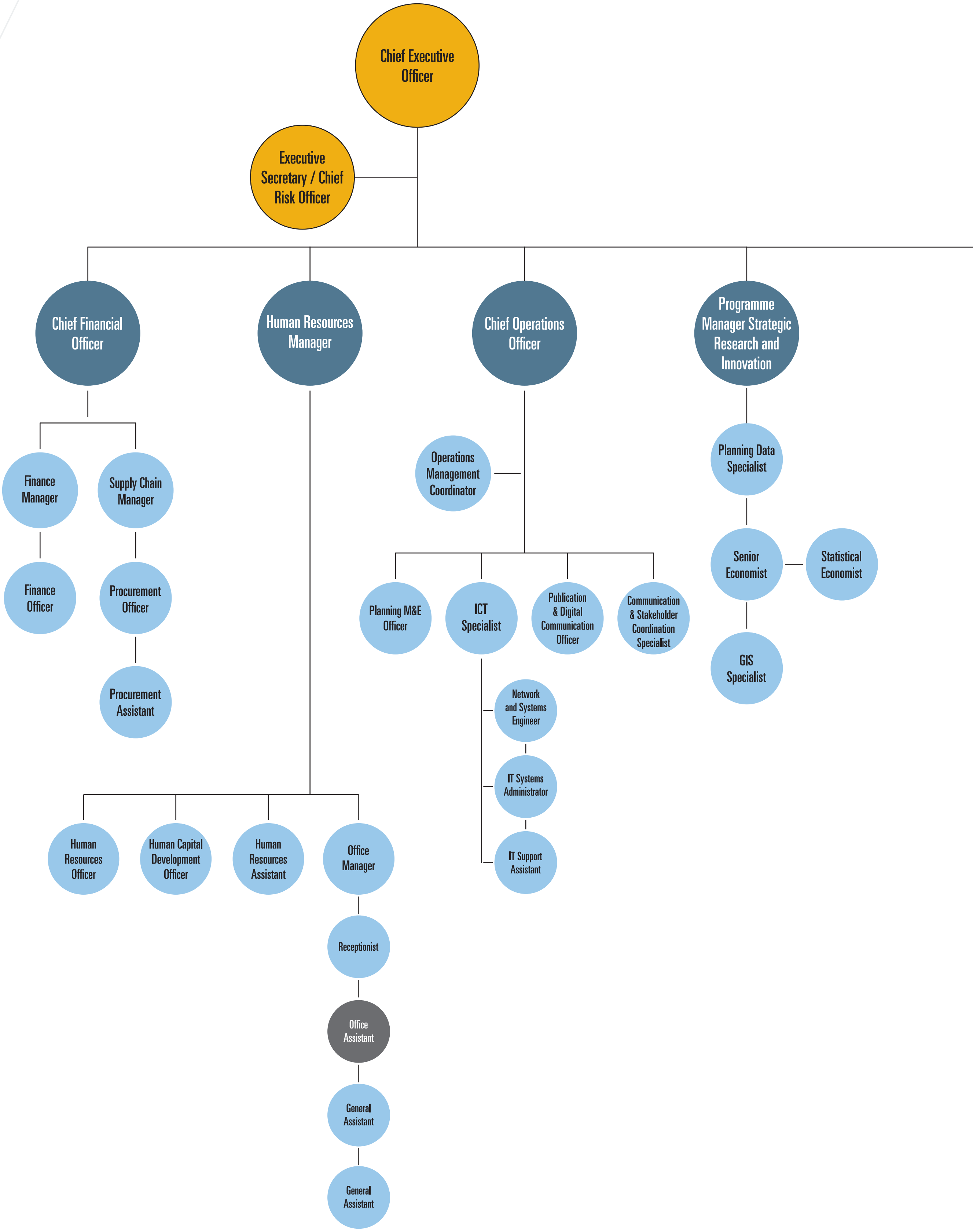
- Occupational Health and Safety Act 85 of 1993
- Pension Funds Act 24 of 1956
- Preferential Procurement Policy Framework Act 5 of 2000
- Prescription Act 68 of 1969
- Prevention and Combating of Corrupt Activities Act 12 of 2004
- Prevention of Organised Crime Act 121 of 1998
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000
- Protected Disclosures Act 26 of 2000
- Protection of Personal Information Act 4 of 2013
- Provincial Archives and Records Service of the Western Cape Act 3 of 2005
- Public Administration Management Act 11 of 2014
- Public Audit Act 25 of 2004
- Public Finance Management Act 1 of 1999
- Public Service Act, Proclamation 103 of 1994
- Public Service Regulations, 2016
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999
- Spatial Data Infrastructure Act 54 of 2003
- State Information Technology Agency Act 88 of 1998

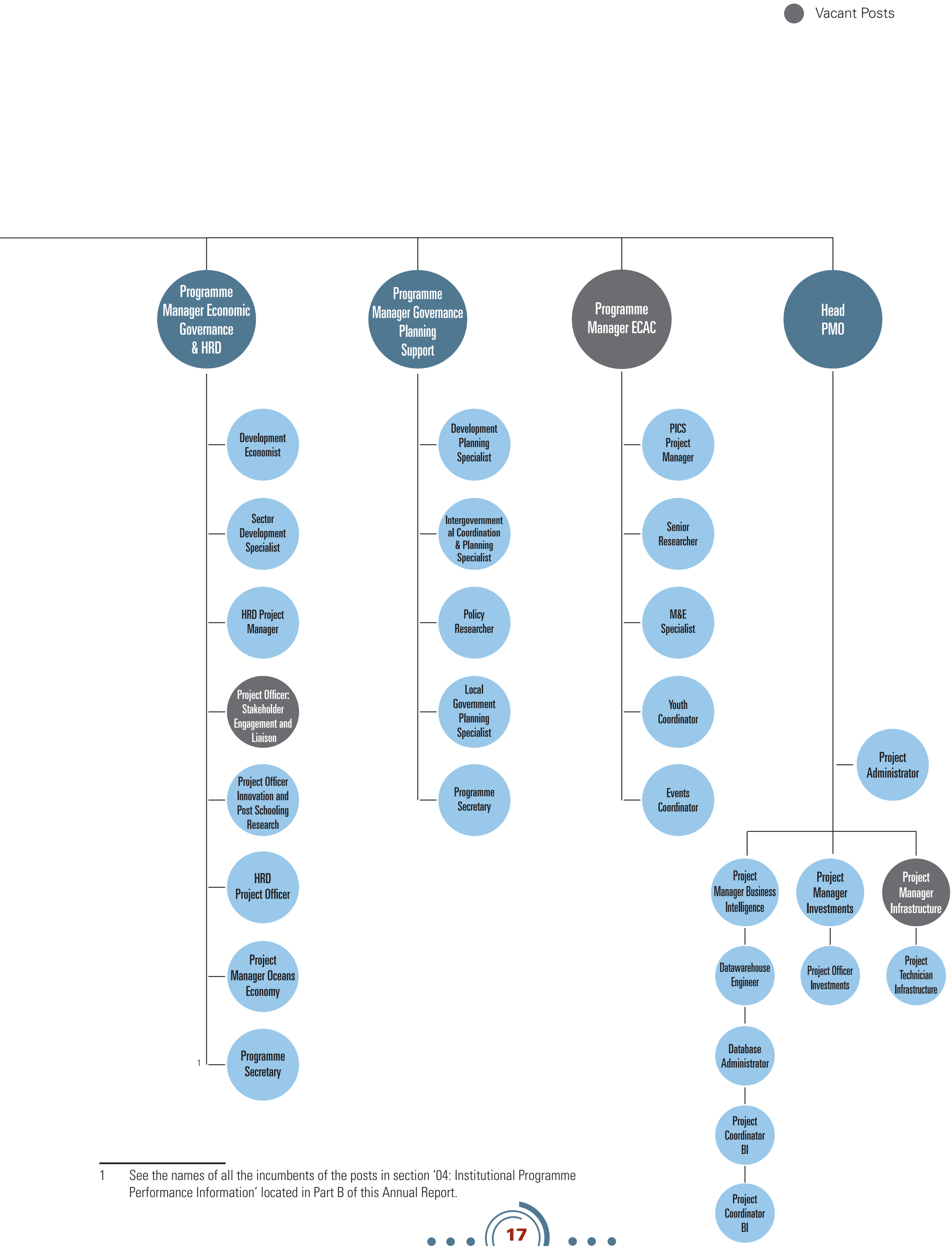
In addition, ECSECC, as a public entity and in fulfilling its role within the provincial government, considers national policy mandates, including the following:

- Green Paper on National Performance Management (2009)
- Medium-term Strategic Framework – 2019-2024 (MTSF)
- National Development Plan (NDP) (2012)
- National Evaluation Policy Framework (2011)
- National Monitoring and Evaluation Framework – White Paper (October 2009)
- National Knowledge Management Strategy Framework (2019)
- National Skills Development Strategy (I, II and III)
- National Strategic Framework of the Department for
- Women, Children and People with Disabilities
- National Treasury Framework for Managing Programme Performance Information (2007)
- Revised Framework for Strategic Plans and Annual Performance Plans (2019)
- National Youth Policy (2009-2014) of the National Youth Development Agency
- Policy Framework for a Government-wide Monitoring and Evaluation System (2007)
- Policy Frameworks of the National Department of Public
- Service and Administration on Gender Equality, Disability and Youth in the Public Service
- Framework on Gender-responsive Planning, Budgeting, Monitoring, Evaluation and Auditing
- Specific National Policy Frameworks on Gender and Women's Empowerment, Disability and Children
- South Africa Connect – South Africa's Broadband Strategy
- The White Paper on a New Employment Policy for the Public Service (1997)
- The White Paper on Human Resources Management in the Public Service
- The White Paper on Public Service Training and Education (1997)
- The White Paper on the Transformation of the Public Service (1995)
- The White Paper on Transforming Public Service Delivery (Batho Pele) (1997)

In addition to these legislative and policy mandates, ECSECC has been supporting the legislative process of the ECSECC White Paper and accompanying legislation. It is worth noting, as a subsequent event after the 2023/2024 financial year, on 4 April 2024, the Eastern Cape Provincial Legislature enacted the Bill to provide for the establishment of the Eastern Cape Socio-Economic Consultative Council, to provide for its powers, functions and governance and to provide for the establishment of sector councils and to provide for matters incidental thereto. This will have an impact on the 2025-2030 Five-year Strategic Plan, the next APP and the Annual Operational Plan (AOP).

08 ORGANISATIONAL STRUCTURE





1 See the names of all the incumbents of the posts in section '04: Institutional Programme Performance Information' located in Part B of this Annual Report.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PART B

PERFORMANCE INFORMATION

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01 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

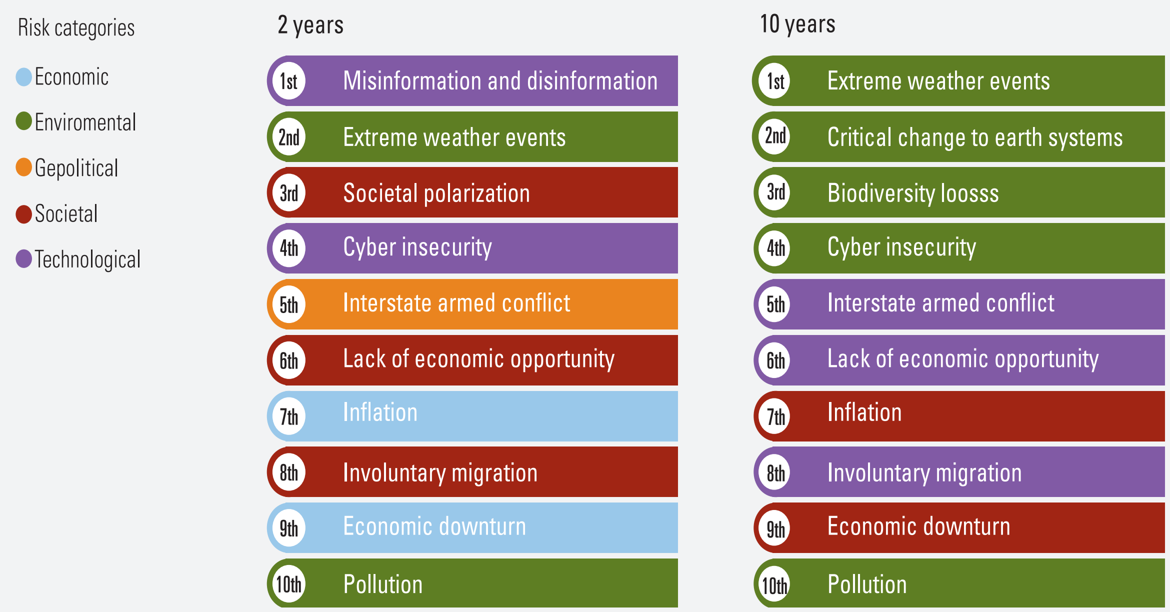
Refer to the Audit Report on page 98, published as Part F: Financial Information.

02 OVERVIEW OF ECSECC'S PERFORMANCE

2.1 Service Delivery Environment

ECSECC operates as a key public entity within the Eastern Cape (EC), which in turn operates and relates to the rest of South African and the African continent in terms of the global political economy. This global political economy has always had distinct features that define and identify its regions and power blocs. These have always determined the development paths and logic, with the Western European countries dominating and leading industrialisation. Recently, however, even the Bretton Woods institutions accept the rise in protectionism and the re-industrial era. Protectionism and the re-industrial era can be examined as follows. It is an economic policy to protect businesses in your own country against competition from other countries. Governments use tariffs, import quotas, and subsidies to limit trade with other countries. They do this to increase economic activity at home, generate jobs, and make their businesses more competitive. The re-industrial era refers to a period marked by a renewed focus on industrialisation, often driven by shifts in global trade, geopolitics, and economic policies. Deepening divisions and increasing fragmentation are reshaping international relations and calling into question whether existing structures are equipped to tackle the challenges collectively confronting the global economy. These global risks identified by the World Economic Forum (WEF) its its 2024 Global Risks Report confirm the perpetuation of these fragmentations. The figure below shows these aspects over the short and long term.

Figure 1: Global risks ranked by severity over the short and long term



Source: World Economic Forum Global Risk Perception Survey 2023-2024

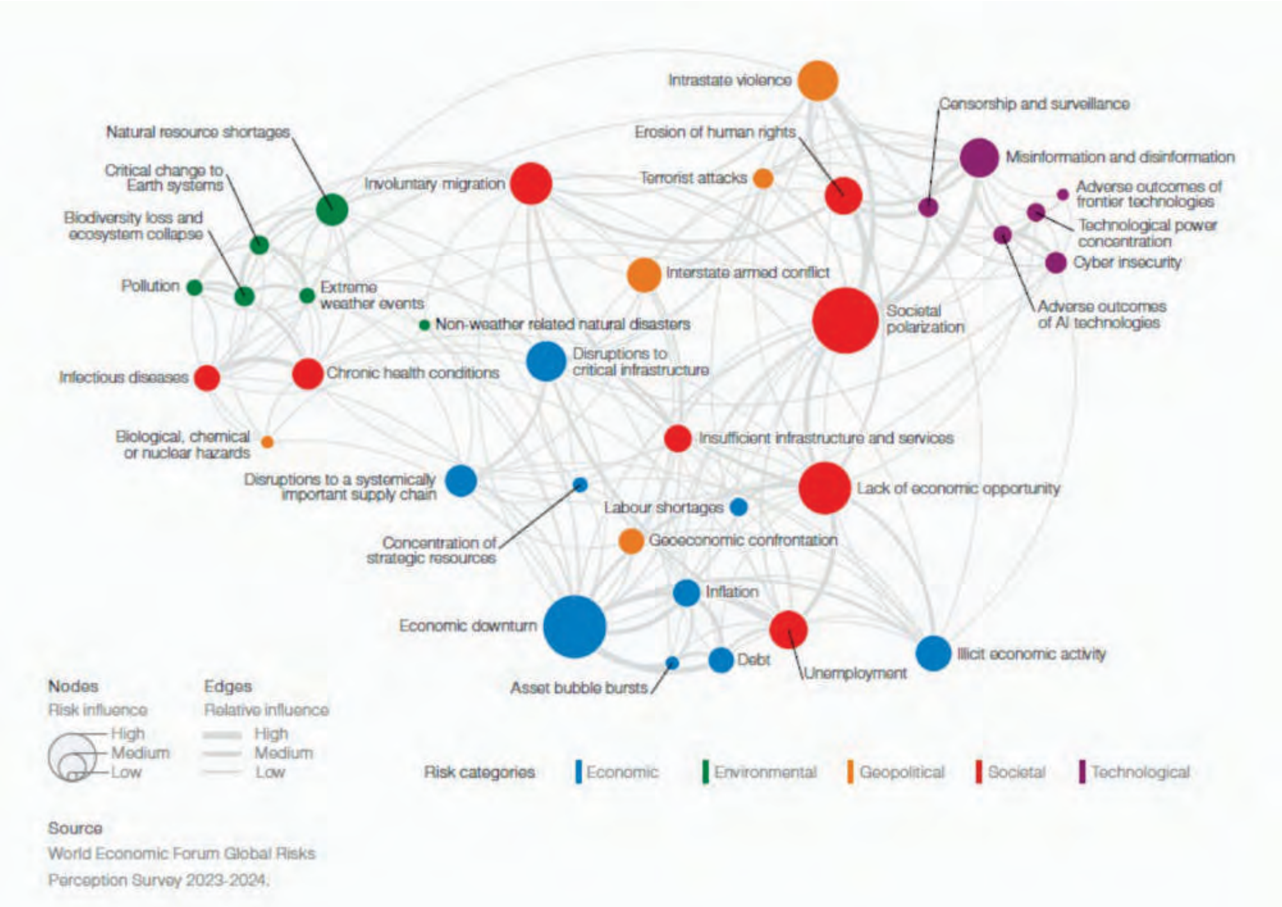
The projected top risk in 2026, and for the second year in a row, mis-information and disinformation, and the proliferation of false or misleading content in the geopolitical environment has become the leading mechanism for foreign entities to affect voter intentions; sow doubt among the general public worldwide about what is happening in conflict zones; or tarnish the image of products or services from another country.

Levels of global cooperation across many areas of geopolitics and humanitarian issues, economic relations, and environmental, societal, and technological challenges may reach new lows in the coming years. Key countries appear to be turning inward, focusing on mounting domestic economic or societal concerns, just when they should be seeking to strengthen multilateral ties to confront shared challenges[1].

1 https://www.weforum.org/publications/global-risks-report-2025/digest/

Societal fractures are central to the overall risk landscape, as shown in the risk interconnections map (see the figure below also from the WEF's 2024 Global Risks Report). Inequality (wealth, income) is perceived as the most central risk of all, playing a significant role in both triggering and being influenced by other risks. It is contributing to weakening trust and diminishing our collective sense of shared values. As well as inequality, other societal risks also feature in the top ten of the two-year ranking including: societal polarisation, involuntary migration or displacement, and rrosion of human rights and/ or civic freedoms. The importance ascribed to this set of societal risks by respondents suggests that social stability will be fragile over the next two years.

Figure 2: Global risks landscape: an interconnections map



Respondent concern, according to the WEF, around certain key economic risks (economic downturn and inflation), has reportedly subsided since the previous year, with these two risks witnessing the largest falls in the two-year ranking. Nonetheless, the impacts of the cost-of-living crisis since 2022 contributed to inequality becoming the top interconnected risk this year. Economic downturn, inflation, and debt were selected as the top causes of inequality by GRPS respondents. The foundational principle of the current international context is in each country's appreciation of the production of immediate material means of subsistence and, consequently, the degree of economic development attained / growth by a given people during a given period.

Therefore, this era of protectionism and re-industrialisation is about each country remodeling itself post-COVID, and various economic downturns, and in the realisation of the fifth industrial revolution. However, the same cannot be used as a measure of closing inequalities both within the global north nor that there is interest in closing the inequalities gap for the global south, nor between the south and north. It is this cognition that must inform the policy choices needed by the south in its interface with this era[1]. In 2011 Seeraj Mohamed questioned the logic of alignment with the Washington Consensus framework for developing what became known as economically credible policies, arguing that much of the twentieth-century economy of South Africa was dominated by the mining and minerals sector, supported by certain manufacturing and engineering services, with other unlinked sectors ignored. With all of that, he argues that South Africa's industrialisation has massive gaps in downstream, value-added, and labour-intensive manufacturing, and intermediate and productive services. South Africa has been on a path dependency since then.[2]

1 E. Vlasova: Marxist-Leninist Philosophy, 1987
2 S. Mohamed: Prospects and Challenges in building the trade and industry sector in SA: 2011

Global, Africa, SA and EC Provincial Real GDP Growth Rates

According to the International Monetary Fund (IMF) October World Economic Outlook (WEO) update, global growth was estimated to increase from 3.2% in 2024 to 3.3% in 2025. The global growth forecast for 2024 was revised upward by 0.1 of a percentage point from the October WEO update. Global disinflation continues, but economic policy uncertainty, especially trade and fiscal policy, has increased sharply, with some differentiation across countries. According to the IMF, the US economy is experiencing strong underlying demand due to wealth effects, a less restrictive monetary policy, and favourable financial circumstances. Sub-Saharan Africa's growth is projected to rise from 3.8% in 2024, to 4.2% in 2025. The estimate for 2024 remained unchanged from the October WEO update. For Africa's two biggest economies, Nigeria and South Africa, growth is projected at 3.1% and 0.8% in 2024, respectively. For South Africa, projections remained the same for 2025 and have been revised upward by 0.1 of a percentage point for 2026.

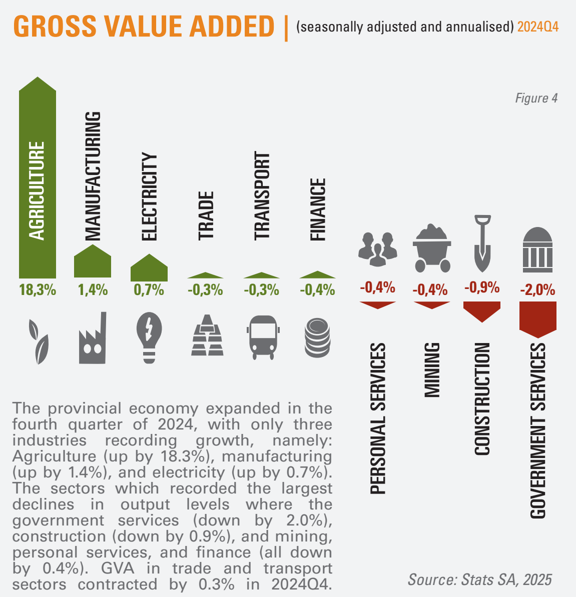
The provincial economy expanded in the fourth quarter of 2024, with only three industries recording growth, namely: agriculture (up by 18.3%), manufacturing (up by 1.4%), and electricity (up by 0.7%). The sectors which recorded the largest declines in output levels where the government services (down by 2.0%), construction (down by 0.9%), and mining, personal services, and finance (all down by 0.4%). GVA in the trade and transport sectors contracted by 0.3% in 2024Q4.

The Eastern Cape's economic review and outlook are marked by a backdrop of persistent challenges that have contributed to underperformance and pose significant risks to achieving the province's Provincial Development Plan (PDP) 2030 vision and associated targets. Over the past decade, the province has grappled with low economic growth rates, failing to create jobs in rural areas. Fiscal containment measures, aimed at reducing budget deficits and stabilising public finances, have constrained government spending and investment in critical infrastructure and social programs, exacerbating socio-economic disparities. Additionally, recurring energy crises and load shedding have crippled industrial productivity, disrupted business operations, and deterred investor confidence, hindering economic expansion and job creation. The table below shows how these challenges have led to low GDP per capita in the province.

The escalation of conflict in the Middle East has also fueled geopolitical uncertainties, leading to market volatility, elevated oil prices, and heightened global economic risks, further impacting the Eastern Cape's trade dynamics and energy costs. Climate change-induced droughts and environmental degradation have compounded the province's challenges, jeopardising agricultural output, water security, and rural livelihoods. Moreover, high inflation rates and soaring fuel prices have eroded purchasing power, strained household budgets, and dampened consumer demand, constraining economic recovery efforts and amplifying social hardships.

Addressing these multifaceted challenges requires coordinated policy interventions, strategic investments, and resilience-building measures to safeguard the Eastern Cape's long-term development trajectory and ensure inclusive and sustainable growth.

Figure 3: Gross value added (GVA)



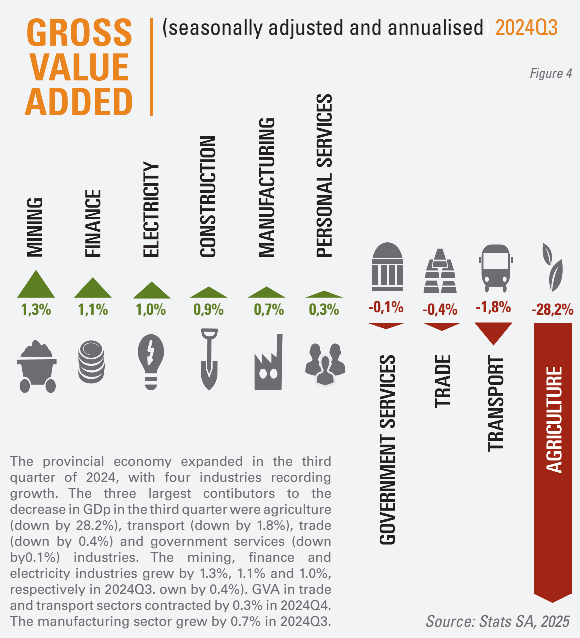


Table 1: Selected key economic indicators (Eastern Cape: 1995-2023)

	Eastern Cape economic indicators	Unit	1995	2000	2005	2010	2015	2020	2023
1	GDP per capita	Ratio	-	-	0,04	0,05	0,05	0,05	0,06
2	Total output	Rm	350 946	448 951	547 038	620 796	681 206	656 569	697 318
3	Gross Value Added	Rm	199 695	226 375	259 297	295 947	318 492	313 409	328 570
4	Intermediate consumption expenditure	Rm	151 251	222 575	287 741	324 849	362 715	343 160	368 747
5	Gross Operating Surplus	Rm	68 365	82 566	108 002	131 641	131 671	121 442	135 195
6	Taxes and subsidies on production	Rm	3 477	4 743	4 937	4 438	6 218	6 364	6 653
7	Gross Domestic Fixed Investment (GDFI)	Rm	24 996	26 944	41 030	47 335	55 887	43 868	45 659
8	Fixed Capital Stock	Rm	465 396	455 450	477 410	549 102	610 546	656 666	654 686
9	Imports	Rm	34 665	27 499	38 691	47 574	60 558	44 954	52 224
10	Exports	Rm	19 964	46 334	73 923	57 015	64 288	55 505	54 407
11	Trade balance	Rm	-14 701	18 835	35 232	9 440	3 729	10 551	2 184
12	Inflation rate	%	14,75	11,81	7,13	6,13	5,94	4,00	8,13
13	Location Quotient	Index	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14	Tress Index	Index	49,60	50,90	51,40	50,10	49,50	51,40	52,20
15	Gross domestic product – growth rate	%	0,58	3,33	2,98	1,35	1,10	-5,81	0,67

Source: ECSECC calculation derived from Statistics South Africa's National Accounts, 2023

Through the new seventh Administration's provincial medium term development programme (PMTDP) (2024 – 2029), the Eastern Cape has assured better integration within government clusters and between them. Further, this has ensured that budgeting was done in an integrated manner to guarantee resources pulling and interdependences between departments and the local sphere through the District Development Model (DDM) One Plans approach. The provincially identified growth frontiers and game changers are the major transformational vehicles for the three provincial priorities of inclusive growth and job creation; reducing poverty and tackling the high cost of living; and a capable, ethical and developmental state. Interventions for the economic game changers include a strong agriculture commercialisation programme, beneficiation of products, and optimization of value chains for diversification and local impacts. This has huge implications for ECSECC as a knowledge and compacting institution of the province, and ECSECC is already drawing three interrelated tasks viz.:

- Knowledge generation (research, data-housing, scientific baselines).
- Support modelling interventions with scientifically proven, achievable targets for each sectoral area; and
- Support instruments and toolkits designed for cutting-edge interventions.

2.2 Organisational environment

Being an entity of the Office of the Premier with such a strategic mandate places ECSECC at all material times at the axis of the need to provide strategic thought leadership; that time is here more than ever before. The time is that of transitioning between terms of government, requiring in-depth appreciation and knowledge of what the successive terms have been able to do in moving the needle of development transformation and what then is needed to further advance that development in the fourth decade of democracy and freedom for a better life as articulated in the PDP Apex Indicators. The optimisation and relevance stress testing of the ECSECC value proposition is now required more than ever.

During the reporting period, continuously evaluating and reassessing ECSECC's organisational suitability has been crucial for adapting to change and ensuring staff are skilled and competent in the evolving environments. Throughout the year,

ECSECC's 2020-2025 Strategic Plan Value Proposition anchored its operations.

In 2024/2025, ECSECC emphasised the importance of navigating uncertainty through multidisciplinary research, strategic intelligence, and foresight. The focus was on co-creating a vision through network leadership, partnership facilitation and putting strategic information to work through systemic changes, innovation, and solutions design.

Two main elements drive the operational responses to the external and internal environments: the legislative mandate emanating from the ECSECC Act and the value proposition emanating from the legislative mandate.

The stated mandate supports four objectives, which include:

- To advise and assist the Province in the development of long-term plans to facilitate economic growth and sustainable development.
- To facilitate, monitor and support strategic partnerships that involve the public sector, the private sector, the knowledge sector, organised labour and civil society in the implementation of the provincial development agenda.
- To generate and manage evidence for policymaking and planning processes toward the sustainable development of the Province; and
- To empower stakeholder constituencies for meaningful participation in the development, implementation, and monitoring of the provincial development agenda.

The ECSECC value chain leverages four high-order capabilities. These include:

- Knowledge and advice generation;
- Planning support;
- Stakeholder engagement, compacting, and
- Implementation of technical support.

These four capabilities support an integrated value chain, leveraging knowledge generation and advice to inform planning, stakeholder engagement and compacting.

Once stakeholder compacting and engagement have occurred, it is applied to support and monitor technical implementation efforts. The result is the achievement of desired development impacts. These impacts include, but are not limited to:

- Advancing and accelerating economic growth and diversification;
- Ensuring sustainable development.
- Increased revenue collection for ECSECC to reduce the burden on the fiscus.
- Advancing and achieving the Provincial Development Agenda; and
- Ensuring meaningful participation by all stakeholders and interested and affected parties.

The first element of the value proposition (strategic intelligence and foresight) has received more attention, with a new sixth programme being created and staffed to manage innovation, research and evaluations better so that ECSECC is fully transformed into a notable knowledge broker. The other five ECSECC Programmes also assist with several strategic research collaborations and creative solution design initiatives.

The other elements of ECSECC's value proposition (i.e., innovative design solutions) create the opportunity for unique service offerings that enable ECSECC to syndicate resources from partners, including the collection of expenses associated with services provided. Cost recovery mitigates the risk of inadequate funding to fulfil the mandate and achieve strategic goals. The resolution of the Development Convention and 2040 EC Scenarios that undergird the implementation of the Provincial Priorities have already been tested through the development and use of such tools as 'transformation maps in ArcGIS to locate and reference development work spatially, or where such is needed.

Over the past twelve years, ECSECC has consistently maintained an "unqualified audit" status. Protecting this audit status is vital and entails enacting policy changes based on the complex landscape of ethical behaviour. Moreover, it requires establishing strong systems and controls that have continuously shielded the organisation from significant fraud and corruption risks.

Continuous enhancements in policy and system development in program and project management, as well as greater alignment with PMDS, have expanded accountability across the business. Strengthening project management as a key driver of competitive advantage remains pertinent. The focus is on project management's accountability for quality, integrity, and impact. ECSECC aims to lead the way in evaluating innovative project management approaches in a multidisciplinary setting.

Risk management remained a vital role within the organisation, serving as both a guide and a tool to ensure effective strategy and program execution. The regular risk assessment meetings resulted in a risk registry that included ICT-related hazards, each with explicit, scheduled mitigation actions.

The management of all risks at ECSECC involves the implementation of diverse program goals in collaboration with stakeholders, as well as internally, through the refinement of organisational systems and procedures, particularly in the area of personnel management. Additionally, there is a significant focus on integrating data analytics into all of ECSECC's operations to position the organisation as a leader in digital systems and technology, supported by a skilled workforce; this also includes addressing challenges related to the utilisation and maintenance of digital technology to enhance organisational business processes, ensuring adequate business continuity to achieve organisational goals, and improving the management of any inability to meet mandates.

2.3 Key policy developments and legislative changes

Planned policies are internal, developed, and reviewed to ensure the organisational environment is conducive to strategy performance. Policies are developed and reviewed according to an annually updated policy schedule when necessary. The entity further developed frameworks to provide clear, consistent, and transparent guidance for operations and in some instances ensuring alignment with ECSECC policies.

The following Policies were implemented during the 2024/25 Financial Year:

- Asset Management Policy
- Supply Chain Management Policy
- Ethics and Conflict of Interest Policy
- Risk Management Policy
- Planning and Performance Reporting Policy
- Records Management Policy
- Finance Policy
- Fraud Prevention Policy
- Compliance Policy
- Contract Management Policy
- Travel Management Policy
- ICT Policy
- Data Protection and Information Sharing Policy
- Data Retention Policy
- Data Security Breach Management Policy
- Data Privacy and Information Security Policy
- Data Classification Policy
- Human Resource Policy
- Performance Management and Development System Policy
- Job Evaluation Policy
- Remuneration Policy
- Occupational Health and Safety Policy
- Temporary Employee Policy
- Skills Development Policy
- Hybrid Policy
- Internship Policy
- Post-retirement Policy
- Succession and Continuity Policy

During the 2024/25 financial year, the entity reviewed Funding Manual and changed it to Funding Framework and developed the following Frameworks:

i. Cybersecurity Security Framework
ii. Data Governance Framework
iii. IT Governance Framework

2.4 Progress towards the achievement of institutional impacts and outcomes

In the 2024-2025 period the ECSEC Act came into effect from 1 April 2025. Being proactive the ECSECC Board had approved changes of the 5 -Year Strategic Plan starting in the 2023-2024 Annual Performance Plan (APP) whilst awaiting approval of the legislation. This was then reported on in the 2023-2024 Annual Report.

In the 2024-2025 period, the performance on each of the outcomes is presented below.

Outcome 1: A developmental state that actively leads development through partnerships

ECSECC produced over 20 knowledge products, including research reports, trend analysis reports, strategy documents, an Annual Socio-economic State of the Eastern Cape Report, and a Quarterly Operational GIS Ward-based Information System Report.

Both the Annual Socio-economic State of the Eastern Cape Report and the Quarterly Operational GIS Ward-based Information System provided valuable knowledge for the government and its sectoral departments during the planning cycle.

ECSECC provided support for cascading and institutionalising long-term plans in government departments according to the Eastern Cape Provincial Government (ECPG) Approach to Strategic Planning document.

ECSECC finalised and produced a DDM Capacity Enhancement Report to support inter-spherical planning.

Stakeholder management of the N2 Wild Coast Projects improved as ECSECC supported the political oversight governance structures and their consistent engagement with stakeholders.

Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative.

ECSECC has consistently supported various strategic partnerships, producing a broad and diverse range of policy advice products to build an inclusive, sustainable economy that creates decent jobs and advances innovation.

Work was completed towards generating and managing evidence for policymaking and planning processes toward the province's sustainable development.

A 2nd Generation Innovation Report was compiled, which included recommendations for innovation in the agricultural and automotive sectors, as well as general policy and productivity implications.

A signature Science, Technology and Mathematics Indaba (STEM) helped the province identify the full STEM value-chain challenges and recommended solutions from kindergarten to tertiary level education and the world of work.

Outcome 3: A healthy, educated, and productive workforce and citizenry

Through the work done in ECAC, the HIV/AIDS structures received improved, focused coordination and strengthening of sectoral work, including developing the following sector plans: Boxing, Sex Workers, People Living with HIV, and Men's Sector Plan.

Several programmes were developed to improve treatment outcomes and reduce HIV and TB infections, combined with the above, resulted in overwhelming support for International AIDS Day and TB Day.

Outcome 4: Increase organisational effectiveness, efficiency, and governance

All Board governance structures have, over the years, ensured prudent accountability by management regarding performance, utilisation of resources and accountability. This prudence in management and ECSECC Board oversight has again earned the entity an eleventh year of clean audit.

The organisational systems support continuous learning for improvement. The rapid and coordinated implementation of a range of maturity improvement interventions has exponentially increased the organisation's maturity level.

ECSECC has ably ensured business continuity during times of shocks; responded to changes in the economic, social and political environments, including appreciating the interconnectedness with the social and political resilience of the space in which it operates

Programme 1 Corporate Services

The programme provides support services and creates an enabling environment for achieving the impact and outcomes outlined in the Strategic Plan and key strategic areas for ECSECC. This programme aims to enable innovative, agile,quality governance, corporate services, financial management and operational performance by providing strategic leadership, industry sound practice systemsand standards and strategic information.

Programme 2 Economic Governance & HRD

This programme aims to support the development and implementation of economic policy and strategy to shift the economic development path of the Eastern Cape. The peripheral nature of our economy and its relative underperformance is well understood. The programme seeks to set clear priorities for the Province over the planning period and what can realistically be achieved to improve economic development in the Province.

Programme 3 Governance and Planning Support

The program aims to strengthen the building of a developmental state by ensuring and reinforcing long-term planning related to the Eastern Cape's (EC) shared development agenda. The programme achieves its purpose by facilitating participatory democracy by developing and implementing a shared development agenda and outcomes and its related elements such as the EC Provincial Development Plan (EC PDP), EC Infrastructure Plan (ECIP), DDM One Plans; this is done through effective platforms for engagement by relevant stakeholders through social and strategic planning facilitation, research, consultations, strategic secretariat services, capacity building and advocacy. This programme mainly focuses on supporting a developmental state that actively leads development through partnerships. Furthermore, the Programme is involved in initiatives to cascade the NDP and EC PDP to the DDM One Plans and local government.

Programme 4 Eastern Cape AIDS Council

The purpose of this programme is to assist the Province in effetively managing it’s response to HIV, Tubererculosis (TB) and STI’s. This programme also focuses on acting secretariat for the Eastern AIDS Council.

Programme 5 Khawuleza PMO

The Khawuleza Portfolio Management Office (KPMO) is a high-impact PMO capacity that is focused on increasing the efficiency and effectiveness of programmes and project implementation in the Eastern Cape Province. At its core, the KPMO is required to increase the attainment of project goals, reduce project failure, and increase project management capability whilst ensuring the optimal use and application of resources.

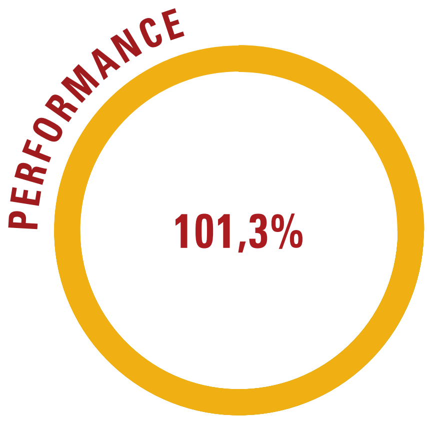
Programme 6 Strategic Research & Innovation

The Strategic Research and Innovation Programme mobilises and applies specialist research resources to produce high-quality knowledge and research products to strengthen the nexus between science and policy development. Accordingly, the Programme establishes and maintains internal and regional research capabilities per ECSECC's mandate, core values and operating model.

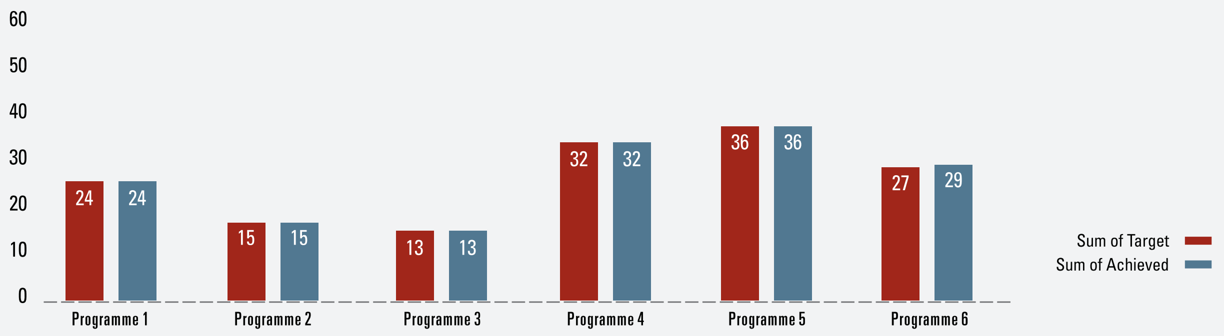
03 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The institutional programme performance information for ECSECC for the 2024/2025 financial year covers the period 1 April 2024 to 31 March 2025. The Performance Report has been compiled based on the Annual Performance Plan, the Mid-year Report, and Quarterly Reports generated in the year. The report is organised according to ECSECC's six (6) programmes.

ECSECC has managed to obtain 101.3% performance under the period reporting. This is translated from achieving 149 targets out of the 147 targets set for the 2024/2025 financial year.



2024/2025 Overall Performance



The table below provides the summary of performance per programme

Programmes	Targets	Achieved	Not Achieved
Programme 1: Coporate Services	24	24	0
Programme 2:Economic Governance and HRD	15	15	0
Programme 3: Governance and Planning support	13	13	0
Programme 4: Eastern Cape AIDS Council	32	32	0
Programme 5: Khawuleza PMO	36	36	0
Programme 6: Strategic Research and Information	27	29	0
Grand Total	147	149	0

3.1 Programme 1: Corporate Services

3.1.1 Purpose of programme

The programme provides support services and creates an enabling environment for achieving the impact and outcomes outlined in the Strategic Plan and key strategic areas for ECSECC. This programme aims to enable innovative, agile, quality governance, corporate services, financial management and operational performance by providing strategic leadership, industry-sound practice systems and standards, and strategic information. The purpose of this programme over the period is to enable the following:

- A high-performing organisation;
- A healthy, productive, capable and mobile workforce imbibing dynamic competencies and the ECSECC values; and
- Innovation, economy, efficiency and effectiveness in policy, systems and processes to enable productivity and impact.

The work of the programme is mainly towards the achievement of below outcomes:

Outcome 1 – A developmental state that actively leads development through partnerships

Outcome 3 – A healthy, educated, and productive workforce and citizenry

Outcome 4 – Increased organisational maturity

The programme performs several functions, through its sub-programmes and they together with their purposes are outlined in the table below.

Sub-Programme	Purpose
1.1 Financial Management and, Corporate Governance	Provide innovative, simplified, quality financial management andcorporate governance performance through strategic leadershipand best practices.
1.2 Human Resources	Provide a conducive environment that facilitates achieving excellentperformance by a healthy, productive, capable, and mobile workforce.
1.3 Information and Communication Technology	Have efficiency and effectiveness in Information and CommunicationsTechnology (ICT) systems development andsupport that ensure business outcomes. Cultivate ICT platforms and partnerships for innovation, and provide cost-effective ICT solutions for an agile, mobileworkforce.
1.4 Strategy Management and Operations	Enable the achievement of organisational results through effective strategy and operations management, stakeholder engagement, and agile Programme and project management systems and processes.

3.1.2. Programme performance overview

The programme in the period under review achieved 100% of its planned targets.

Financial Management and Corporate Governance

ECSECC is recognised and validated by assurance institutions for having good internal controls. Internal audits conducted across various areas during the financial year revealed no significant findings. For 13 consecutive years, ECSECC has received a Clean Audit Outcome from the Auditor-General of South Africa, reflecting the entity's ongoing progress toward becoming a fully mature organisation in financial and performance information management.

There has been a growing demand for ECSECC's services from both provincial and local government institutions. While the entity is primarily funded by the Office of the Premier (OTP), it also collaborates with municipalities and other public entities on specific projects. As part of its Funding Strategy and Framework, ECSECC introduced alternative funding models to reduce reliance on its baseline allocation.

The Office of the Premier has fully transferred the oceans economy function to ECSECC, approving R1.9 million for related projects in the 2024/25 financial year. This funding will primarily support operational costs and human capital resources associated with the programme.

Additionally, OTP approved R1.1 million for communications and stakeholder engagement initiatives. This funding is intended to enable ECSECC to effectively disseminate government communication content to stakeholders and partners, implement key communication projects aligned with ECSECC/OTP priorities, and support the OTP with speechwriting and content development in line with development communication guidelines.

The governance and leadership of the organisation remain stable. The organisation met its statutory obligations of governance and reporting. The Board held its Annual General Meeting, and its ordinary board meetings and all committees of the Board met as per their schedule. The risk management environment continues to be strengthened through Annual Risk Assessments, and a strategic and operational risk register is in place with mitigation plans, which are reviewed periodically.

ECSECC also conducted a Broad-Based Black Economic Empowerment (B-BBEE) assessment in accordance with the B-BBEE Act (No. 53 of 2003) and achieved a discounted Level 7 rating. Management remains committed to improving this rating in the future.

Human Resources

ECSECC Human Resources achieved the following highlights:

- Provided funding to employees for skills development to ensure that ECSECC employees are fit for purpose in the execution of ECSECC's value proposition. Of those employees, two are currently enrolled on PhD studies.
- Coordinated a job description writing and job evaluation training
- Started the process of registering ECSECC on a provident fund for ECSECC employees
- Started the Skills Audit and Organisational Design project
- Successfully registered ECSECC with the Public Service Education and Training Authority (PSETA) and submitted the first Workplace Skills Plan
- Successfully submitted the Employment Equity Report as per the requirements of the Department of Labour.

Information and Communication Technology

An ICT close-out report has been compiled, providing a comprehensive overview of the ECSECC ICT Business Unit's performance for the 2024-2025 financial year. Throughout the year, the ICT Business Unit has demonstrated substantial progress in executing the ICT Annual -Implementation Plan, ensuring alignment with ECSECC's overarching strategic objectives. The report highlights several key deliverables, addresses challenges encountered, and offers recommendations for ongoing improvement.

Notable achievements include the modernisation to green ICT infrastructure, which has significantly enhanced business agility and enabled a more mobile workforce, in line with ECSECC's vision for a future-ready ICT environment. The Unit has also advanced digital enablement and workforce competence, equipping staff with reliable, up-to-date ICT tools and fostering a culture of digital transformation across the organisation.

Furthermore, the successful deployment of an integrated business intelligence platform has empowered ECSECC to make more informed, data-driven decisions, thereby strengthening its capacity to deliver strategic advice and insights. Enhanced business continuity and ICT governance measures have bolstered organisational resilience, ensuring robust protocols for business continuity, information management, and ICT security.

Finally, the ICT Business Unit has promoted innovation and collaboration both within ECSECC and with external partners, establishing platforms that facilitate strategic partnerships and drive collective progress. These achievements underscore the Unit's commitment to continuous improvement and its pivotal role in supporting ECSECC's mission.

Strategy Management and Operations

The review of the Organisational Maturity Assessment Framework was completed with a standardised and unified approach in undertaking the self-assessment; this was informed by the integration of the Finance, Human Resources, Risk Management, ICT and Project Management focus areas in the organisation.

The organisation has actively hosted both internal and external webinars as knowledge-sharing platforms. The following external webinars were hosted:

- Tackling Hunger and Malnutrition: This webinar focused on creating a unified strategy to fight food insecurity and poverty in the Eastern Cape, emphasizing a comprehensive and integrated approach. It aimed to build on the Provincial Development Convention's declaration of creating social compacts to address these issues.
- Celebrating 30 Years of Democracy: This dialogue, co-hosted with the Nkosi Jongumsobomvu Maqoma Foundation and DSRAC, connected the history of resistance with the present day. It honored the legacy of African warriors like Nkosi Maqoma and highlighted the vital role of traditional leadership in the fight for freedom.
- Empowering Local Economies: This session explored how municipalities can drive economic growth and create jobs through trade and investment. It shared lessons from a pilot project with four municipalities—Nyandeni, Port St. Johns, Enoch Mgijima, and Matatiele—and provided best practices for attracting investment and supporting local businesses.

The Economic Value of Our Ocean: This webinar brought together government and industry stakeholders to discuss the potential of the Eastern Cape's ocean economy. A key focus was a project to quantify the sector's size and scope, based on the principle that "if you can measure it, you can manage it." The goal is to gather data that supports the ocean economy's potential for growth and job creation.

ECSECC hosted four internal knowledge-sharing seminars to foster a collaborative environment among staff members. These seminars are the cornerstone of ECSECC's internal communication and knowledge dissemination strategy, serving as a crucial platform for project leaders to align their work with the organisation's overarching objectives. The seminars are a pivotal platform that fosters collaboration and knowledge-sharing across the organisation, where various project leaders come together to present their ongoing initiatives, reflect on their experiences, and explore how their work aligns with and advances the broader objectives of ECSECC.

During this engaging session, project leaders delivered presentations that provided an overview of their current projects, showcasing not only the insights they have gained but also the tangible benefits these initiatives are generating for the Eastern Cape province. Engagement Reports Stakeholder engagement reports of these sessions have also been developed.

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
			2022/23	2023/24	2024/25	2024/25	2024/25		
Outcome 4: Increased organisational maturity	Maintain governance standards	1.1 Audit Report with no material findings	-	-	1	1	-	-	-
Outcome 4: Increased organisational maturity	Simplified, business- enabling financial and risk management processes and systems	1.2 Report on interventions to simplify financial and risk management processes	-	-	1	1	-	-	-
Outcome 4: Increased organisational maturity	Simplified, business- enabling financial and risk management processes and systems	1.3 Organisational Maturity Model Framework reviewed	-	-	1	1	-	-	-
Outcome 3: A healthy, educated, and productive workforce and citizenry	A healthy, productive, capable and mobile workforce	1.4 Number of planned HR strategy projects completed	17	6	6	6	-	-	-
Outcome 4: Increased organisational maturity	Achievement of ICT Strategy	1.5 Number of ICT Strategy Implementation Plan projects completed	-	-	7	7	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	1.6 Number of external knowledge sharing opportunities created[3]	4	4	4	4	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	1.7 Number of internal knowledge sharing opportunities created	-	-	4	4	-	-	-

3 The output indicator was previously listed as Output Indicator 1.6.

3.1.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
Corporate Services	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	14 393	12 542	1 851	15 139	14 228	911
COE	24 710	24 824	-114	28 226	27 296	930
CAPEX	1 405	741	664	1 912	1 721	191
TOTAL	**40 508**	**38 107**	**2 401**	**45 277**	**43 245**	**2 032**

Underspending in goods and services is mainly attributable Microsoft Licence that was planned to be renewed in 2024/25 financial year, however could not be procured as Microsoft is still to investigating the difference in terms of the period for the existing licence. The license will be renewed in 2025/26.
The underspending on capex is due to laptops that were not procured by the IT unit. Consultations on the specification took longer than anticipated.

3.1 4. Strategy to Overcome areas of underperformance

No under performance recorded.

Programme 1: Corporate Services
Programme 1A: Finance and Corporate Services

Khayakazi Gwazela
Chief Financial Officer

Janice Leach
Finance Manager

Veliswa Tima
Finance Officer

Nozuko Somniso
Executive Secretary & Chief Risk Officer

Nothando Shenxane
Human Resources Manager

Fikile Sigalelana
Human Resources Officer

Zuzeka Kwanga
Human Resources Assistant

Nokuzola Mshumpela
Supply Chain Manager

Malwande Ntongana
Procurement Officer

Nelisa Tetani
Procurement Assistant

Natasha August
Office Manager

Nozuko Nkundla
Receptionist

Ntombebandla Ntini
General Assistant

Veliswa Kandile
General Assistant

Programme 1B: Strategy Management and Operations

Akhona Tinta
Chief Operations Officer

Esethu Magwentshu
Operations Management Coordinator

Sive Kamte
Planning Monitoring & Evaluation Officer

Tobile Gowa
Communication & Stakeholder Coordination Specialist

Zwanga Mukhuthu
Publications & Digital Communications Officer

Dr Ayanda Madyibi
ICT Specialist

Lithemba Ntlokonkulu
Network & Systems Engineer

Sinethemba Mqayi
IT Systems Administrator

Pamela Njenge
IT Support Assistant

3.2. Programme 2: Economic Governance and HRD

3.2.1. Purpose of the programme

Structural transformation of various economic sectors due to pervasive transformative technologies has significantly shaped world economies. The COVID-19 pandemic caused a unique economic crisis because of deliberate efforts to manage a health crisis, resulting in simultaneous supply-and-demand shocks to the economy, inducing further deepening of recession and significant job losses. The Province's key sectors, such as manufacturing, agriculture, trade and transport, continue to lose jobs. Vulnerable workers in low positions on the employment ladder lost the most jobs during the pandemic, along with low and semi-skilled workers. Low occupational levels and poor skills are the most significant contributors to high unemployment in the Province. Faced with cost pressures, employers had to let go of the unskilled in less critical positions. The education and training system has seen significant shifts with short- and long-term impacts.

Programme 2 has responded to this reality by focusing on two of ECSECC's focus areas:

- Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative; and
- Outcome 3: A healthy, educated and productive workforce and citizenry.

These outcomes will be achieved by:

- Supporting efforts to build the economy's productive capacity to stimulate aggregate demand and job creation;
- Advancing innovation, research and learning for new areas of economic value creation;
- Co-creating the economic transformation agenda through strategic conversations;
- Designing measures to form an active labour market strategy for employment creation and capacity enhancement of state institutions to deliver services; and
- Support the HRD council's effective functioning for delivering quality education and training that results in economic growth.

The provincial Economic Recovery Strategy and the HRD Strategy guide the work.

3.2.2. Programme performance overview

In the year under review, the programme achieved 100% of its planned targets.

Transformation and innovation

In driving an innovation-driven Local Economic Development, ECSECC partnered with the Human Sciences Research Council (HSRC) for capacity building of selected municipalities to drive innovation-driven LED initiatives. In the Eastern Cape, these included Walter Sisulu Local Municipality under Joe Gqabi District Municipality and Inxuba Ye Themba Local Municipality under Chris Hani District Municipality.

ECSECC assessed the local economic development initiatives with the potential for innovation diffusion to scale their impact in the aforementioned two local municipalities. The assessment involved using an HSRC tool called Local Innovation Advancement Tools (LIAT), an information and decision-making tool that enables local actors to raise innovation performance in a particular space, such as a municipality.

The following key deliverables were achieved:

- **Development of Karoo Regional Innovation Strategy**

  ECSECC collaborated with the Department of Science and Innovation (DSI) to develop an innovation strategy for the Karoo region. The innovation strategy aimed to create an environment conducive to business development, job creation, and sustainable economic practices, including the diffusion of new ideas, technologies, and methods to enhance productivity and competitiveness.

- **Multi-stakeholder innovation capacity building workshops**

  As part of the participatory local innovation assessment and capacity building, ECSECC facilitated multi-stakeholder workshops in both the Walter Sisulu and the Inxuba Ye Temba Local Municipalities. Stakeholders' perspectives from these workshops indicated that innovation plays an essential role in the economic development strategy of their local municipalities, with the municipalities as key innovation facilitators. However, the stakeholders observed that the application of this concept in their strategies was minimal, and when applied, it was not done efficiently, thus yielding suboptimal results.

Labour market transformation

The Eastern Cape Human Resource Development (EC-HRD) Strategy, aimed at supporting the province's economic priorities, emphasises TVET colleges and entrepreneurship as critical avenues for building the necessary skills base, creating employment and creating multiple pathways to accessing labour market opportunities. The EC-HRD Council prioritised the promotion of student entrepreneurship in TVET colleges and commissioned ECSECC to develop a student entrepreneurship model in preparation for crafting a strategy.

The project successfully delivered the following outcomes:

- **Assessment of TVET colleges' entrepreneurship programmes**

  A comprehensive research report detailing the economic status of tracked TVET graduates during the study period and an analysis of their entrepreneurial activities, challenges encountered, and recommendations for enhancing student entrepreneurship within TVET Colleges.

- **Student entrepreneurship knowledge exchange and learning networks**

  Having concluded the assessment of TVET colleges' entrepreneurship programmes, ECSECC established platforms to facilitate knowledge exchange conversations and discussions among policymakers and practitioners. These platforms also enabled the take-up of the study findings and recommendations by relevant stakeholders for integration into regional and national strategic planning and development processes.

  ECSECC also engaged with the National Business Initiative (NBI), the Department of Higher Education and Training (DHET), and the Border Training Centre (BTC) to solicit their input into the development of an entrepreneurship strategy for the TVET sector as well as their commitments toward the implementation of the Entrepreneurship Baseline study recommendations.

  The Programme also presented a discussion paper based on the study's findings at the DTIC and TIPS Annual Policy Forum, as an input into the policy discourse on small business, inclusive growth, and industry policy in South Africa.

Oceans economy

The Oceans Economy Secretariat held strategic conversations with a broad range of economic stakeholders to advance the development of the oceans economy in the Eastern Cape.

The following key deliverables were achieved:

- **Assessment of potential small harbours in the Eastern Cape**

  The provincial Oceans Economy Secretariat engaged the Small Harbours Unit at the national Department of Public Works and Infrastructure (DPWI) to revive the Small Harbours Initiative in the Eastern Cape.

  Under the Tier 2 initiative, ten sites in the province were assessed for their suitability to be developed into fully fledged small harbours, with the provision that only two sites would move to the second phase of the development of Spatial Economic Development Frameworks (SEDFs).

  Post the assessment, ECSECC recommended Hamburg Small Harbours and Mzamba Small Crafts Harbour for progression into stage two. Both the Eastern Cape Provincial Administration, through the Director-General and the DPWI endorsed the recommendation.

- **Establishment of the Eastern Cape Oceans Economy Satellite Account**

  ECSECC commissioned an empirical study to determine the size and scope of the oceans economy in the Eastern Cape to provide a nuanced understanding of the sector's economic potential and contribution. The study concluded with the establishment of the Eastern Cape Oceans Economy Satellite Account, a detailed quantification of the potential of the Eastern Cape oceans economy and its value proposition.

- **Updating the Provincial Oceans Economy Masterplan**

  The Provincial Oceans Economy Secretariat conducted a desktop review of the implementation of the Oceans Economy Master Plan since its official launch on the 11th of December 2019. To complement the desktop review, the secretariat conducted full-scale qualitative research on the implementation of priority interventions of the Masterplan.

  Both studies provided a comprehensive status update on the implementation of the Masterplan. The outcomes of these studies, including the Oceans Economy Satellite Account, will be used to update and develop a new version of the Eastern Cape Oceans Economy Masterplan under the seventh Provincial Administration.

HRD Council governance and institutional support

The HRDC Secretariat undertook the following initiatives in pursuing the HRDC Plenary resolutions:

- **Promotion of STEM disciplines**

  ECSECC partnered with the Healdtown Alumni Association on an initiative aimed at developing the Healdtown Institution as a Centre of Excellence for Community Development and STEM.

  ECSECC and the Alumni jointly hosted the STEM Career Fair to promote STEM careers amongst learners, and a business breakfast that showcased the history and current achievements of the Healdtown School. The primary activity was the strategic support ECSECC provided for the preparations during the 2024/25 financial year for the planned hosting of Healdtown 170th anniversary celebration, that is scheduled to take place in May 2025.

- **Engagement with the Youth and Students Stakeholders**

  The Secretariat initiated engagement with youth and Student stakeholders to encourage their effective participation in HRD Council initiatives. The specific area of interest was on higher education funding, the status of NSFAS, and support for the formulation of the Provincial Youth Development Strategy.

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
			2022/23	2023/24	2024/25	2024/25	2024/25		
Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative	Applied research	2.1 Number of applied research and knowledge products on economic and HRD produced	4	8	4	4	-	-	-
Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative	Economic and HRD policy advice	2.2 Number of policy, strategy or planning documents developed for economic development and HRD	2	6	3	3	-	-	-
Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative	Stakeholder engagements	2.3 Number of stakeholder engagement sessions facilitated for economic growth and human resources development.[4]	-	16	8	8	-	-	-

4 In financial years prior to 2024/2025, Human Resource Development was referenced as HRD.

3.2.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
EG and HRD	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 786	1 238	548	2 423	1 920	503
COE	8 501	8 472	29	7 914	7 481	433
CAPEX	-		-			-
TOTAL	**10 287**	**9 710**	**577**	**10 337**	**9 401**	**936**

The underspending in goods and services is due to the appointment of a service provider to assist in conducting an empirical study on Oceans Economy being concluded later than expected. This has resulted in delays in activities related to this project.

3.2.4. Strategy to overcome areas of underperformance

No under performance recorded

Programme 2: Economic Governance and Human Resource Development

Teboho Qholosha
Programme Manager

Viwe Fokwebe
Oceans Economy Project Manager

Lusanda Bantwini
Sector Development Specialist

Vuyokazi Magungxu
Project Officer: Innovation & Post Schooling Research

Nomonde Hlatshaneni
HRD Project Manager

Sandiso Mzanywa
HRD Project Officer

Sinethemba Mqayi
Programme Secretary

3.3 Programme 3: Governance and Planning Support

3.3.1 Purpose of the programme

The program aims to strengthen the building of a developmental state by ensuring and reinforcing long-term planning related to the EC's shared development agenda. The programme achieves its purpose by facilitating participatory democracy by developing and implementing a shared development agenda and outcomes and its related elements such as the EC Provincial Development Plan (EC PDP), EC Infrastructure Plan (ECIP), and DDM One Plans. This is done through effective platforms for engagement by relevant stakeholders through social and strategic planning facilitation, research, consultations, strategic secretariat services, capacity building, and advocacy. This programme mainly focuses on supporting a developmental state that actively leads development through partnerships. Furthermore, the Programme is involved in initiatives to cascade the NDP and EC PDP to the DDM One Plans and local government.

The work of the programme is mainly towards the achievement of Outcome 1 – A developmental state that actively leads development through partnerships.

3.3.2. Programme performance overview

Programme 3 has successfully achieved 100% of its planned targets.

The programme's key successes include the production of tangible investment promotion materials for local municipalities, robust support for critical infrastructure projects, and the facilitation of high-level policy dialogues.

A significant recurring challenge identified through multiple studies is the low level of awareness and inconsistent implementation of the DDM framework across various districts and government spheres, which presents a strategic risk to the province's goal of achieving integrated planning and service delivery.

The following are the details of the Programme's main achievements.

Economic development and investment promotion

- **Partnership with ECDC:** A successful collaboration with the Eastern Cape Development Corporation (ECDC) was established to support local government in economic development.
- **Tangible investment tools:** The programme produced three bankable, investment-ready project booklets for the pilot municipalities of Enoch Mgijima, Matatiele, and Port St Johns. These booklets serve as critical marketing tools to attract public and private sector investment by detailing each municipality's value proposition and specific investment opportunities.
- **Multi-stakeholder dialogue**: A provincial Trade and Investment Promotion Roundtable Dialogue was convened, attracting 478 physical and virtual attendees. The event brought together government, the private sector, and academia to foster a more integrated approach to investment promotion at the municipal level.

Support for strategic provincial initiatives

- **N2 Wild Coast Project:** The programme provided consistent technical support for the ECIP implementation, producing quarterly reports on catalytic projects like the N2 Wild Coast Road, including the Mtentu and Msikaba mega-bridges.
- **DDM coordination:** ECSECC provided vital secretariat and coordination support to the EC DDM Nerve Centre, facilitating collaboration between national and provincial departments to advance the DDM's implementation.
- **PDP review:** The programme completed and released Part 1 of the EC PDP Review, focusing on the crucial goal of an "innovative and inclusive growing economy." This review provides valuable insights into progress, challenges, and lessons learned.

Inter-governmental collaboration and capacity building

- Strategic facilitation: Direct strategic facilitation support was provided to several local municipalities (including Nyandeni, Ntabankulu, and Port St Johns) to guide their Integrated Development Plan (IDP) reviews, ensuring alignment with provincial and national development goals.
- DDM empowerment sessions: The programme facilitated technical sessions in the Amathole District to empower role-players on the Inter-Governmental Relations Framework Act (IGRFA) Section 47 Regulations and the terms of reference for DDM Technical Workstreams, which are crucial for institutionalising the DDM.

Key challenges and strategic risks

The most significant challenge identified across multiple programme activities is the persistent implementation gap of the DDM.

Evidence-based studies conducted in multiple districts (including OR Tambo, Alfred Nzo, Sarah Baartman, Chris Hani, Joe Gqabi) and metros consistently revealed that:

- Stakeholders across different spheres of government remain highly unfamiliar with the DDM's strategic intent, its Theory of Change, and the purpose of the One Plans.
- The process followed for formulating the One Plans in 2021 and 2023 did not fully adhere to national guidelines, hindering the intended shift from simple alignment to effective joint planning.

This lack of foundational understanding and procedural adherence poses a strategic risk to the province, as it impedes the integration of planning, budgeting, and implementation, which is the core objective of the DDM.

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
Outcome 1: A developmental state that actively leads development through partnerships	EC PDP planning and implementation	3.1 Number of strategies or planning documents developed for enhanced long-term planning	-	0	1[5]	1	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	EC PDP planning and implementation	3.2 Number of reports on initiatives that facilitate the implementation of EC PDP	-	9	8[6]	8	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships[7]	Stakeholder dialogues and partnership	3.3 Progress reports on stakeholder platforms	-	8	4[8]	4	-	-	-

5 The target was changed as per Annexure C of the revised 2024/25 ECSECC APP

6 The target was changed as per Annexure C of the revised 2024/25 ECSECC APP

7 In the financial years preceding the 2024/2025 financial year, Outcome 2 was titled: “An inclusive economy that grows sustainably, creates decent jobs, and is innovative”.

8 The target was changed as per Annexure C of the revised 2024/25 ECSECC APP

3.3.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
GPS	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 422	1 306	116	2 151	1 174	977
COE	9 776	9 735	41	9 674	9 394	280
CAPEX	-		-			-
TOTAL	**11 198**	**11 041**	**157**	**11 825**	**10 568**	**1 257**

The variances are reasonable

3.3.4. Strategy to overcome areas of underperformance

No under performance recorded.

Programme 3: Governance and Planning Support

Lineo Chris Motsilili
Programme Manager

Fezeka Maqwathi
Local Government Planning Specialist

Ian Assam
Development Planning Specialist

Andile Fekisi
Intergovernmental Coordination & Planning Specialist

Libhongo Ntlokonkulu
Policy Researcher

Lungiswa Dubula
Programme Secretary

3.4 Programme 4: Eastern Cape AIDS Council

3.4.1. Purpose of the programme

The Eastern Cape AIDS Council (ECAC) was established to coordinate the multi-sectoral HIV, TB and STI response in the Eastern Cape Province. The AIDS Council's mandate includes mobilising sectors, creating partnerships, monitoring and evaluation, research, policy advice to government, resource mobilisation, and developing a multi-sector plan.

In the Eastern Cape, it is estimated that 870,510 (Thembisa 4.5, 2022) people are living with HIV. However, the epidemic is now increasing at a slower pace. The number of people receiving treatment in the province's public sector as of March 2022 was 602,782. These improvements can be attributed to the changes and implementation of the antiretroviral therapy (ART) policies and guidelines.

TB is the leading cause of death in South Africa, accounting for 8.4% of all natural deaths in 2015. In 2018, the incidence of TB was 531 cases per 100,000 population, resulting in an estimated 438,000 new TB infections, 45% of which were among people living with HIV. Poor living conditions and late presentation to health facilities also drive the TB burden. The number of patients who started drug-resistant treatment decreased slightly from 2,008 in 2017 to 1,973 in 2018.

The province reported a TB screening rate of 90% in the first quarter of 2020 and a TB treatment start rate of 91.8%. The province reported finding 4,243 missing TB patients in April 2022. Above 93.3% of HIV positive patients who have TB are on ART. The provincial TB success rate was 74% as at quarter 1 of 2020.

The work of ECAC is mainly towards the achievement of one of ECSECC's outcomes and its associated intermediary outcomes.

- Outcome 3: A healthy, educated and productive workforce and citizenry
    - o Reduction in new HIV Infections
    - o Improved HIV Treatment Outcomes

This programme indirectly enables Outcomes 1 and 3 by improving the health profile of the population and reducing the number of new HIV infections. The programme contributes to both of ECSECC's outcome areas.

The programme works across seven focus areas: Prevention, treatment, municipal support, civil society, capacity building, strategic information, and governance.

3.4.2. Programme performance overview

In the year, the programme achieved 100% of its planned targets.

Coordination of structures

The programme has facilitated the duly elected 18 sectors to the Eastern Cape AIDS Council's Civil Society Forum (CSF). The CSF also plays a pivotal role in the implementation of the Provincial Implementation Plan (PIP), which is a guiding document on how the province should respond to the three infections, namely HIV, TB, and STIs.

The programme has collaborated with development partners to strengthen coordination and implementation of HIV, TB, and STI programmes in the province. This exercise aims to enhance accountability, identify synergies, share best practices, and learn from lessons during the implementation period. It also seeks to understand the bottlenecks partners encounter during programme implementation and those that require the Provincial Council on AIDS' (PCA) attention.

As part of monitoring and evaluation, the programme conducted oversight visits for Global Fund (GF) programmes implemented in the province. The purpose of these visits was mainly to respond to challenges presented in the previous development partners' meetings, monitor and evaluate activities implemented, and report on them.

The undetectable = untransmitable (U=U) is a priority strategy in ending AIDS by 2030. Regarding the Global Alliance campaign, the provincial structure was created to ensure that this structure fits into U=U.

Strategic information

The programme compiled a research paper on the "Reduction in Contraceptive Uptake Among Adolescents." The research paper highlighted the 2030 Agenda for Sustainable Development, which strives for universal access to sexual and reproductive health-care services, including family planning, information, and education, as well as the integration of reproductive health into national strategies and programmes.

As part of information dissemination, ECAC hosted a webinar on the TB survey conducted by the HSRC on the "National Household TB Survey Results Dissemination". The study aimed to enhance TB control in South Africa by informing the National TB Control Programme about the epidemiological situation of TB disease and offering insight on ways in which TB control can be improved.

A research paper titled "Tuberculosis: A preventable and curable disease, but a deadly one in the Eastern Cape Province" was produced. The paper highlighted the issue of the Eastern Cape facing significant challenges in combating TB, with the province being one of the hardest hit by the disease.

Capacity building

ECAC, in partnership with Access Chapter 2, conducted a training whose target audience was high-level stakeholders at the provincial level. The purpose of this training was to educate public entities, SRs and relevant organisations on legal rights and matters such as sexual orientation, gender, and gender identity in the South African social construct in a bid to curb discrimination and violence against the key populations in public service centres.

A session with Traditional Health Practitioners (THPs) was held as part of the broader CSF capacity building project, aimed at strengthening community-based referral systems for TB care. The session identified key challenges in THP-to-health-facility referrals, including one-sided engagement and stigma, and proposed solutions to enhance collaboration.

The 'U=U' (Undetectable = Untransmittable) workshop took place at the Premier Hotel Regent, East London. Organised by the ECAC and South African National AIDS Council (SANAC), the workshop focused on reviewing the provincial HIV cascade, building understanding of 'U=U' science, and identifying opportunities to scale up U=U interventions in the province.

The programme organised an LGBTQI sensitisation workshop. This workshop aimed to foster a deeper understanding and provide valuable insights into the LGBTQI community for relevant stakeholders. The purpose was to equip attendees with the knowledge and tools to enhance inclusivity.

Prevention and treatment

In response to programmes coordinated to reduce new HIV and TB infections and increase the rate of treatment adherence, ECAC launched the Zikhala Kanjani Campaign, a communication strategy that is gender-inclusive but retains a strong focus on adolescent girls and young women (AGYW). The campaign recognises the contribution of youth development programmes and features a strong social and behavioural change communication (SBCC) element.

The programme led the development of the PIP, aligned to the NSP on HIV/AIDS, TB and STIs (2023-2028), which involved all the ECAC stakeholders. The multi-sectoral District Implementation Plans (mDIPs) for Metro/District AIDS Councils were then developed in alignment with the PIP.

The end-term review of the previous PIP (2017-2022) showed limited or a lack of health-seeking behaviour by men as a challenge that not only impedes prevention of diseases like HIV, TB and STIs, but also leads to treatment resistance and does not improve the health outcomes. As part of the World AIDS Day (WAD) build-up programmes, a men's indaba was held to discuss issues that hinder men from seeking health care services.

ECAC played a pivotal role in launching the Global Alliance in the Eastern Cape. The main goals of the Global Alliance are to ensure that no child living with HIV is denied treatment and to prevent new infant HIV infections, as part of a broader strategy to end AIDS in children by 2030 and to address the HIV-related needs of children, adolescents, and pregnant and breastfeeding women.

ECAC hosted the National World AIDS Day, which was held at the Sisa Dukashe stadium in the Buffalo City Municipality (BCM). On WAD 2024, the event focused on the theme "Equal Rights, Equal Care" and aimed to raise awareness about HIV/AIDS and the importance of equitable healthcare. The campaign emphasised early HIV treatment, including the Undetectable = Untransmitable (U=U) initiative, and mobilised communities to link people living with HIV to anti-retroviral therapy (ART) services. Efforts also targeted improved access to testing and treatment, particularly in underserved areas, and the strengthening of referral and follow-up systems.

The 2025 commemoration of World TB Day was preceded by an intensive six-week build-up programme, ensuring province-wide coverage, high impact, and a lasting legacy. The programme engaged government, civil society, and development partners, aligning with World TB Day objectives to raise awareness, strengthen prevention efforts, and mobilise community support.

In alignment with the NSP and UNAIDS 95-95-95 targets, the event reaffirmed the province's commitment to ending TB by 2030. Despite funding challenges, the government pledged to sustain essential TB and HIV services and called for greater collaboration across sectors to eliminate stigma and improve healthcare access.

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation	Reasons for Revi-sions to the Outputs/ Output Indi-cators/ Annual Targets
			2022/23	2023/24	2024/25	2024/25	2024/25		
Outcome 3: A healthy, educated and productive workforce and citizenry	Coordination of HIV re-sponse in the EC province through ECAC governance structures	4.1 Number of ECAC governance structures coordinated	-	-	12	12	-	-	-
Outcome 3: A healthy, educated and productive workforce and citizenry	Planning and reporting of HIV response in the EC province through production of strategic information	4.2 Number of knowledge products produced	-	-	12	12	-	-	-
Outcome 3: A healthy, educated and productive workforce and citizenry	Capacity building pro-grammes that are coordinat-ed for ECAC structures	4.3 Number of capacity building programmes conducted	-	-	4	4	-	-	-
Outcome 3: A healthy, educated and productive workforce and citizenry	Coordination and imple-mentation of HIV and TB pro-grammes in the EC in response to the NSP	4.4 Number of HIV and TB programmes coordinated through ECAC partnerships	-	-	4	4	-	-	-

3.4.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
ECAC	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 300	1 236	64	550	523	27
COE	6 322	6 229	93	7 315	7 332	-17
CAPEX	-	-	-	-	-	-
TOTAL	7 622	7 465	157	7 865	7 855	10

The variances are reasonable.

3.4.4. Strategy to overcome areas of underperformance

No under performance recorded

Programme 4: Eastern Cape AIDS Council

Dr Pelisa Dana
Senior Researcher &
Acting Programme Manager

Otto Tamela
Prevention, Treatment, Care &
Support Project Manager

Bulelwa Mhlontlo
Events Coordinator

Nosiphiwo Mpho Mtebese
Provincial Technical Officer:
Adolescents & Young People
(Seconded from SANAC)

Zeodor Arends
Monitoring & Evaluation Specialist

Lulama Mpahla
Youth Coordinator

3.5 Programme 5: Khawuleza PMO

3.5.1. Purpose of the programme

The Khawuleza Portfolio Management Office (KPMO) is a high-impact PMO capacity that is focused on increasing the efficiency and effectiveness of programmes and project implementation in the Eastern Cape Province.

At its core, the KPMO is required to increase the attainment of project goals, reduce project failure, and increase project management capability whilst ensuring the optimal use and application of resources.

As a hybrid controlling and supportive PMO, the Khawuleza PMO performs the following functions:

- Facilitate high levels of stakeholder engagement and consultation.
- Consolidate and update performance information and reports.
- Provide central monitoring and tracking of performance.
- Provide technical support and coordinates technical resources.
- Ensure configuration management.
- Serve as a central repository of data.
- Ensure governance and compliance; and
- Capacitate programme and project managers through mentoring and training.

The five indicators support executive leadership, senior government officials, and decision-makers, as well as the Provincial Project Support Unit. They aim to support at least four Project Management Offices (PMOs), Project Management Units (PMUs), municipalities, provincial departments, developers, and service delivery entities, with performance exceeding the desired target.

Regarding the ECSECC strategy, the Khawuleza PMO mainly responds to Outcome 1: A developmental state that actively leads development through partnerships and Outcome 4: Increase organisational maturity.

3.5.2. Programme performance overview

In the year the programme achieved 100% of its planned targets.

Effective and efficient internal operations

A total of four business cases were developed over the reporting period. Titles and further information is provided below.

- **Business Case 1: The Commercialisation of State-Owned Farms in the Eastern Cape:** The business case provided a detailed situational analysis of the commercial state of the 265 state-owned farms. The business case provided a stakeholder and market assessment and a desired outcome analysis to develop five implementation options. These implementation options underwent a cost-benefit and impact analysis, which informed the development of recommendations and a proposed implementation strategy.

- **Business Case 2: Enhancing Strategic Excellence – Proposal for New Business Case Template for KPMO**: The purpose of this business case report is to propose the adoption of new, customised business case templates for the KPMO to enhance the alignment of project and programme delivery with the Office's advisory and implementation mandates. The new business case templates will enhance strategic excellence by providing structured, modernised frameworks tailored to KPMO's mandate.

  Incorporating tools like PESTEL, Business Model Canvas, and McKinsey 7S, these templates ensure alignment with provincial priorities, improve decision-making, and foster a results-driven approach to investment and project management. The business case also differentiates between internal KPMO and externally focused advisory business cases to ensure customisation and increase relevance. The Report argues that adopting these templates will ensure improved project outcomes, enhanced coordination, and alignment with provincial priorities.

- **Business Case 3: Chief Dawid Stuurman International Airport**: The business case responds to Hon. Premier Mabuyane's pronouncement during his State of the Province Address (SOPA) regarding the need to upgrade Chief Dawid Stuurman International Airport to attain its full international status within the province's broader infrastructure improvement agenda. Accordingly, the business case explored the type and scope of support that ECSECC can provide to the Office of the Premier regarding the infrastructure upgrades at Chief Dawid Stuurman International Airport (CDSIA). The Business Case found that the Airports Company South Africa (ACSA) team is implementing the CDSIA project as mandated. Accordingly, the business case argues that the KPMO integrate the CDSIA into the tracking platforms of its portfolio of catalytic infrastructure projects.

- **Business Case 4: Grounded Theory Methodology:** An option to capture qualitative data to support analytic efforts at sense-making, increased understanding, and insight development across the ECSECC research portfolio. The business case proposes that ECSECC researchers may modify the Grounded Theory Methodology to capture qualitative data, supporting analytic efforts in sense-making, increased understanding, and insight development by applying Grounded Theory beyond its original intent. The application of this approach during evaluation processes highlights the proposed approach's potential to positively impact the work of the Eastern Cape Socio-Economic Consultative Council (ECSECC), particularly related to research, social compacting, implementation, and evaluation work. The Report proposed that ECSECC researchers and practitioners who face the challenges of accurately collecting, analysing, and presenting qualitative data emerging from stakeholder engagements to increase sense-making and produce insights and understanding, could use an adapted Grounded Theory Method to increase the validity of the research produced.

Effective and efficient service delivery support

The programme produced 12 strategic portfolio briefings for decision-making. These focused on:

- South African Renewable Energy Market: Entrepreneurial Opportunities and Lessons for the Eastern Cape
- Marine Tilapia Project
- Elevating the Importance of the South African National Interest as a Means of Advancing the Three Cape Green Hydrogen Alliance
- SOPA Projects: Tracking Tool
- Transnet Catalytic Projects: Tracking Tool
- Food Security Tracking Tool: Eastern Cape
- BRICS Plus Summit and Investment Considerations
- Joe Gqabi Investment and SMME Summit
- Integrated Food Security Assessment for the Eastern Cape
- Eastern Cape Manufacturing Sector: Analysis and Update
- Malnutrition
- Mount Ruth Nodal Investment Project

Quarterly reports detailing the support provided to the Provincial Project Support Unit (PPSU) was compiled. The reports detailed how the programme supports the PPSU as an essential PMO in the Eastern Cape, highlighting progress information and recommendations to advance project implementation across six workstreams, which include:

- Infrastructure Workstream
- Investment Workstream
- Local Government Workstream
- Youth Development Workstream
- Education and Health Turn-Around Strategies Workstream

Quarterly monitoring and evaluation reports were produced. In the first quarter, the monitoring and evaluation report was released, detailing the technical support provided for data cleansing and modelling within the Electronic Quarterly Performance Reporting System (EPQRS). The evaluation data produced through the intervention was used by the Strategic Research and Innovation Programme in ECSECC to create a rapid evaluation report on the performance of the sixth Administration.

The Quarter 2 monitoring and evaluation report reported on the development of a provincial monitoring and evaluation (M&E) system for the Eastern Cape Province. The monitoring and evaluation system facilitates quarterly reporting on State of the Province Address (SOPA) commitments and tracks progress towards achieving PDP objectives. However, despite its stated completion, no data exists in the system. The report includes screenshots to illustrate the system's functionality and interface, confirming its utility. The report makes several recommendations on how to ensure the effective and efficient utilisation of the system.

The Quarter 3 report outlines the challenges the KPMO faces in fulfilling its mandate to provide technological support for monitoring and evaluation platforms within the Eastern Cape Province. The report details how the KPMO can align its monitoring and evaluation efforts with the OTP and the Technical PICC.

The final monitoring and evaluation report was produced in the last quarter, which reported on the technical support for data cleansing and modelling of data performance data contained in the EPQRS. The evaluation data produced through the intervention was used by the Strategic Research and Innovation Programme in ECSECC to create a rapid evaluation report on the performance of the sixth Administration.

Reliable strategic information

Twelve (12) business intelligence reports were produced, which focused on:

- The Impact of the Welisizwe Rural Bridges Programme
- The Deep Analysis of the Social Infrastructure Landscape in the Eastern Cape
- Elevating the Importance of the South African National Interest as a Means of Advancing the Three Cape Green Hydrogen Alliance.
- Food Security Tracking Tool: Eastern Cape
- Integrated Assessment of Food Security in the Eastern Cape Province
- Evaluating the Impact of the Eastern Cape Government's Portfolio: A Strategic Alignment and Effectiveness in the Khawuleza PMO
- Research Paper Database for the Eastern Cape Province Regional Observatory
- Effectiveness of the Eastern Cape Province's Portfolio
- Integrated Food Security Assessment for the Eastern Cape
- Portfolio Health Check of Eastern Cape Infrastructure Projects
- Unemployment in the Eastern Cape: Data Analysis and Evidence-Based Policy Recommendations
- Amathole District Municipality Indigent

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
Outcome 4: Increased organisational maturity	Effective and efficient internal operations	5.1 Number of business cases produced	-	-	4	4	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Effective and efficient service delivery support	5.2 Strategic portfolio briefings	-	-	12	12	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Reliable strategic information	5.3 Business intelligence reports[9]	-	-	12	12	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Effective and efficient service delivery support	5.4 Number of PMOs supported	-	-	4	4	-	-	-
Outcome 1: A developmental state that actively leads	Effective and efficient service delivery support	5.5 Number of quarterly monitoring and evaluation reports[10]	-	3	4	4	-	-	-

9 In previous financial years the output was titled 5.7 Monthly business intelligence reports.
10 In the preceding financial years, the output was listed as output indicator 5.10.

3.5.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
Khawuleza PMO	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	2 633	2 288	345	3 260	2 579	681
COE	10 331	9 456	875	10 403	9 248	1 155
CAPEX	-	-	-	4 486	4 350	136
TOTAL	12 964	11 744	1 220	18 149	16 177	1 972

The underspending in COE is due to 2 vacant posts. One post was filled internally which has resulted in another vacant post within the programme. The other post was filled but became vacant when the employee resigned after 2 months.
The variance in goods and services is due to Project management training that was planned to be conducted via a procurement processes. Due to the lack of certified professionals bidding, the process was done through skills development instead as the programme had sufficient funds under COE for this cost.

3.5.4. Strategy to overcome areas of underperformance

No under performance recorded.

Programme 5: Khawuleza PMO

Dr. Sybert Liebenberg
Acting Programme Manager

Xolile Martin
Project Manager: Business Intelligence

Princess Radebe
Data Warehouse Engineer

Baphumelele Msengana
Project Coordinator: Business Intelligence

Asanda Molefe
Project Coordinator: Business Intelligence

Ndzwana Makaula
Project Manager: Investments

Misheck Mugabe
Project Officer: Investments

Chulumancani Mndze
Project Technician: Infrastructure

Oyama Tyesi
Project Administrator

3.6 Programme 6: Strategic Research and Innovation

3.6.1. Purpose of the programme

The Strategic Research and Innovation Programme (SRI) mobilises and applies specialist research resources to produce high-quality knowledge and research products to strengthen the nexus between science and policy development.

Accordingly, the Programme establishes and maintains internal and regional research capabilities per ECSECC's mandate, core values and operating model.

At an operational level, the Programme:

- Identifies research needs and data requirements whilst quantifying the current state of research and available data.
- Consolidates research agendas and updates data and platforms with data and resources for use within the research and innovation ecosystem.
- Consistently produces high-quality, compliant research and knowledge products by securing resources, commissioning research, and collecting data.
- Applies and disseminates research and data products to end-users while enhancing ecosystem capacity and strengthening the nexus between sound research and policy development; and
- Secures external resources within and outside the ecosystem to support research and knowledge development, as well as intervention and capacity enhancement.

The Programme allows ECSECC to consolidate and integrate its research and knowledge production resources whilst establishing a dynamic network of research partners to access technical, technological, and financial resources to enhance decision-making based on accurate and reliable evidence.

The Programme also seeks to develop an environment that enables researchers to foster creativity, excellence, and technical competencies by establishing an enabling environment within which researchers are nurtured and developed to reach their full potential, with space to think, reflect, analyse, and solve problems whilst having access to appropriate tools, systems, and capabilities.

3.6.2. Programme performance overview

In the financial year, the programme achieved 107% of its planned targets. The over-performance is attributed to the project team's ability to complete additional evaluations with the assistance of temporary resources.

Knowledge generation

The Programme produced a total of eight trend analysis reports. Four of the trend analysis reports provide an overview of the Eastern Cape labour market, while the other four provide an overview of the Eastern Cape's GDP.

Highlights of the Eastern Cape trend analysis

The unemployment rate in the Eastern Cape decreased to 39.0% in 2024 from 40.08% in 2023. The finance industry created most jobs, followed by transport and electricity industry.

Youth unemployment rate was recorded at 51.1% in 2024.

The unemployment rate for those with tertiary education increased from 17.78 in 2023 to 18.49% in 2024.

During the same period, male unemployment rate (40.6%) was higher than that of females, recorded at 37.8%.

Highlights of the Eastern Cape'S GDP

Global economic performance is estimated to grow by 3.2% in 2024. The IMF forecasts the South African economy to grow by 0.8% by the end of 2024.

The national real gross domestic product (GDP) increased by 0.5% in 2024. The Gauteng province recorded the highest growth of 1.03%.

The Eastern Cape economy grew by 0.34% in 2024 and contributed 8% towards national GDP. The finance sector was the most significant contributor to growth.

The Eastern Cape's GDP (at market prices) amounted to R372.0 billion in 2024.

The finance sector was the most significant contributor to growth.

The ECSECC Board-approved research agenda has been completed. In its current iteration (as updated), the Research Agenda contains 74 research items, compared to the 56 identified in the 2022/2023 Research Agenda. All Research Agenda items are grouped into 18 thematic areas, which have also increased from the 17 thematic areas in the previous iteration.

This iteration saw the inclusion of HRD as a stand-alone thematic area, informed by the prioritisation of knowledge generation in support of the ongoing work of the EC-HDR Council.

One Annual Socio-Economic State of the Eastern Cape Report (SERO) was produced. The 2024 SERO presents a comprehensive assessment of the global, national, and provincial economic landscapes, evaluating the effectiveness of current government policies. This evidence-based, data-driven analysis examines the latest economic trends and socio-economic developments, providing insights essential for informed policymaking, planning, and budgeting processes in the Eastern Cape. The report employs descriptive, analytical, and prescriptive approaches, examining critical development issues and essential service delivery indicators across the province. Additionally, it provides updates on the progress of the EC PDP implementation, discusses potential adjustments to the 2030 PDP targets in consideration of the Eastern Cape Apex indicators, and anticipates future planning scenarios.

The report reveals that, despite encountering a series of significant challenges – including the COVID-19 pandemic, climate change, global economic downturns, energy crises, international tensions, sovereign credit risks, soaring inflation, high interest rates, and rampant crime and corruption – the Eastern Cape government has demonstrated remarkable resilience and adaptability. These efforts have culminated in substantial progress along the province's developmental path.

Four Operational GIS Ward-based and related information systems reports were produced. All four reports confirmed that the system is operational despite internal and external ICT-related challenges, and that several initiatives have been implemented to enhance the scope and performance of the system, as well as its supporting group of systems.

Expansion of the system, including geospatial sector data supplied by the National Treasury, is significant, as per the launch of the revised IRM system. As a result, the Ward-based Information System (WBIS) has undergone several design and content updates. The WBIS has also been updated, expanded, and linked to the Provincial Geospatial Planning Atlas, a vital element of the Eastern Cape Regional Observatory. In addition, the report documents several stakeholder and technical engagements conducted by the project team to advance the use and support of the WBIS and related systems.

Other updates include:

- Municipal profiler update;
- The Nelson Mandela Metro Business Chamber Dashboard and application development process;
- Mapping the blued economy
- Engagement with BCM to integrate the AFLA system;
- Integration with the Road Assessment Management System;
- Climate Risk Profiler;
- Progress has been made in completing the Memorandum of Understanding with the Provincial Treasury to secure and exchange data; as well as the updating of the Eastern Cape Geospatial Planning Atlas in support of the Regional Observatory;
- Several other topics were addressed, including analytics, integrated development plans, the status of the Eastern Cape Geospatial Planning Atlas, the ocean economy, the Municipal Climate Risk Profiler, and Municipal Vulnerabilities;
- Updating the WBISinvolves developing an API for system integration, expanding the ECSECC geospatial system and application, participating in the just transition dialogue, and ensuring the WBIS functions effectively in municipalities.

The programme has provided substantial support to the Office of the Premier to support the Provincial Research Agenda. Quarterly progress reports detailing the support provided have been produced, which highlight the following:

- The conclusion of the rapid evaluation of government performance in the sixth Administration.
- The conclusion of a thought leadership session with the National Community of Practice across the government in recognition of the work produced by ECSECC.
- Progress has been made in operating the regional observatory, concluding key stakeholder engagements, and establishing the interactive planning atlas and research resource database.
- Evaluation Report for Rapid Evaluation of Ethics Management and Ethics Risk Assessment in the ECPG.
- A Diagnostic Rapid Evaluation of the Eastern Cape Provincial Government Incentive Programmes, explicitly referring to women-owned Micro, Small, and Medium Enterprises (MSMEs).
- Rapid evaluation of the Provincial Cluster System.
- The Rapid Evaluation of the IGR System in the Province.
- Progress made by the Eastern Cape Regional Observatory during its first year of operation, highlighting efforts to secure additional funding sources and successfully profile data.
- Participation in the National Review of the National Monitoring and Evaluation Framework, submission of a policy update to the monitoring and evaluation frameworks, review of the PDP, and support for the Department of Planning, Monitoring, and Evaluation (DPME) Evaluation Support Unit.
- Assisting the Governance and Administration Cluster and engaging with the Provincial Ethics and Integrity Unit and the Provincial Ethics Officers' Forum; and
- Presentations to provincial evaluations and research platforms, chaired and coordinated by the OTP, include supporting the Eastern Cape Legislature by presenting at the "Workshop for standing Committee on Budget and Money Bills and Portfolio Committee Chairpersons of the Provincial Legislature," held on the 8th and 9th of October 2024.

One CEO-approved close-out report was produced, indicating that the Eastern Cape Regional Observatory is operational. The close-out report documents and reports on the progress in establishing and operating the Eastern Cape Regional Observatory during the 2024/2025 financial year. In addition to documenting and reporting progress, the report documents and reports on lessons learnt and presents recommendations for future actions to improve the effectiveness and efficiency of the Eastern Cape Regional Observatory's operations.

Six rapid evaluation reports were developed, namely:

Report 1 – Rapid Evaluation of Government Performance in the sixth Administration

The rapid evaluation report is the first comprehensive evaluation of the ECPG's performance, quantifying the performance of all institutions in terms of achieving institutional targets as reported on the EPQRS.

The rapid evaluation also triangulated the overall output performance against the sixth Administration's stated Provincial Medium-Term Strategic Priorities. The rapid evaluation report found that:

- The ECPG is not meeting all PDP targets.
- The ECPG did not meet a substantial percentage of its output targets.
- The performance data in the EPQRS does not align with the performance reported in the departmental and entity annual reports.
- Several gaps and opportunities exist within the EPQRS system; and
- There is an apparent misalignment between outputs and impact targets.

Report 2 - Rapid Evaluation of Small-Town Revitalisation in the Eastern Cape

The rapid evaluation found that:

- There is a need to ramp up technical capabilities urgently at provincial, support, and coordination departments across all local municipalities in the Programme.
- There is a need for selective and rigorous vetting of local municipalities selected for participation in the Provincial Support Programme and resourcing within the Programme.
- There is a need to ensure a more coordinated and streamlined provincial value chain for supporting and resourcing the Programme, which requires a single support window and a reconfiguration of the support programme at OTP and COGTA.
- The rapid evaluation made 12 findings and generated 28 recommendations.

Report 3 - Diagnostic Rapid Evaluation of the Ethics and Integrity Management, and Ethics Risk Assessment, in the ECPG [A Practitioner Perspective]

- The Report was the first Ethics and Integrity Management diagnosis in the ECPG. It used an ethics risk-based methodology to inform planning and decision-making, aiming to improve ethics risk management and effectively mitigate ethics risk in the Province. The Evaluation provides an overview of the ECPG's overall ethics risk profile based on the ethics risk assessments conducted for all departments. It also provides a baseline methodology and tool for regular ethics and integrity management assessments, ensuring ongoing ethics risk assessments across all ECPG departments. The rapid evaluation provides a user-friendly tool to mainstream the implementation of ethics risk assessments across the entire ECPG, whilst supporting the implementation of a standardised assessment methodology of provincial ethics and integrity management.

Report 4 - A Diagnostic Rapid Evaluation (RE) of the Eastern Cape Provincial Government Incentive Programmes, with specific reference to women-owned Micro, Small, and Medium Enterprises (MSMEs)

- The evaluation identified several implementation gaps and challenges, including programme inefficiencies, which could potentially detract from the experience and potential benefits received by participants in these programmes. Additionally, the report identifies recommendations for improvements in response to the inefficiencies and gaps identified in this report.
- The report identified the need for improved planning and programme design, such as the need for a detailed Theory of Change (TOC), which improved from the current TOC identified in the ECDC Annual Report but not in any of the programme framework documents. Developing credible and rigorous TOC using participative approaches with stakeholders and beneficiaries is an essential and critical missing element in the overall portfolio and programme design of the ECPG's value chain for MSME support and development. Lastly, the absence of the TOC and logic model for the value chain and individual programmes is perhaps the most significant contributing factor to the apparent lack of coherence in the system, between programmes, and between implementing agencies in the value chain.

Report 5 - Rapid Evaluation of the Intergovernmental System in the Eastern Cape

- It aims to inform planning and decision-making and improve the effectiveness of IGR in the Province. Accordingly, it provides an overview of provincial and local government IGR structures, including coordination mechanisms such as the DDM in the EC.
- The report, findings, and recommendations provide a baseline for the state of IGR in the Province and provide a tool and methodological approach for regularly assessing the provincial IGR system.
- The report and its recommendations address efficiency gaps and speak pointedly to areas of content and agenda-setting in the coordination and implementation of IGR in the Province. Due to this, there is an urgent need to interface the DDM more directly at the core of the provincial IGR Agenda.

Report 6 - Rapid Diagnostic Evaluation of the Provincial Cluster System in the Eastern Cape Province

- The report provided a diagnostic assessment of the current state of the cluster system in the Eastern Cape. The evaluation expanded the body of knowledge regarding the context and overall management and coordination of the Province's state. The evaluation identified several gaps and challenges that highlight the need for a deeper reflection and analysis within the cluster systems, focusing on process and content based on evidence-based decision-making.

Applied research

The Programme produced one descriptive analysis report. The report explored and developed a composite Economic Resilience Index (ERI), which ranked South African provinces based on their economic resilience. It employs the European Commission's methodology and the World Bank's best international practices to move beyond GDP as a sole indicator of economic performance. Constructing the index required the study to incorporate multiple dimensions, including macroeconomic stability, economic diversification, innovation and productivity, institutional governance, infrastructure development, and human capital. The findings reveal that the Eastern Cape, with an ERI score of 0.4221, falls into the moderate resilience category, highlighting a delicate balance between economic potential and vulnerability.

Two empirical research reports were developed, which provide a comprehensive economic analysis of the energy (electricity) sector, forecasting key determinants of electricity production and distribution and their implications for load shedding. Secondly, it assesses the effects of load shedding on selected macroeconomic variables, including GDP, labour, and total production output. The report demonstrates how fiscal expansion through increased government spending in the energy sector affects the provincial economy. Finally, the report appraises the economy-wide impact of an R21.9 billion IPPPP investment in renewable energy in the Eastern Cape. This is based on empirical evidence from various simulations and scenarios.

The second empirical research report examined the multifaceted challenges of food security, hunger, and malnutrition in the Eastern Cape. It identified the root causes of food insecurity and proposed evidence-based policy interventions to address these issues.

Using raw data from South Africa's General Household Survey (GHS), the research investigates the prevalence of hunger and malnutrition in the province while examining seven critical dimensions of food insecurity: insufficient food for adults, lack of nutritious food, skipped meals, running out of food, hunger, going without food for an entire day, and the impact of school feeding programmes on alleviating child hunger. Furthermore, the study provides a contextual analysis of global, national, and provincial food security. It assesses the role of the agricultural sector in enhancing food security and stimulating economic growth in the Eastern Cape. Additionally, it analyses trends in severe acute malnutrition (SAM) and moderate acute malnutrition (MAM) while assessing key socioeconomic indicators that influence food insecurity, hunger, and malnutrition. Through this approach, the research aims to offer insights that will inform policies and strategies to enhance food security and improve overall well-being in the province.

Outcomes, outputs, output indicators, targets, and actual achievements

Outcomes	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
			2022/23	2023/24	2024/25	2024/25	2024/25		
Outcome 2: An inclusive economy that grows sustainably, creates decent jobs and is innovative	Knowledge generation	6.1 Number of trend analysis reports[11]	7	8	8	8	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Applied research	6.2 Number of descriptive analysis reports[12]	4	4	2	2	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Applied research	6.3 Number of empirical research reports[13]	-	-	2	2	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.4 Approved ECSECC research agenda[14]	1	0	1	1	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.5 Annual Socio- economic State of the Eastern Cape Report produced[15]	-	-	1	1	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.6 Quarterly Operational GIS Ward-based Information System Report[16]	-	-	4	4	-	-	-

11 In the preceding financial years, this output was listed as output indicator 1.7.
12 In the preceding financial years, this output was listed as output indicator 1.8
13 In the preceding financial years, this output was listed as output indicator 1.8
14 In the preceding financial years, this output was listed as output indicator 1.9.
15 In the preceding financial years, before the establishment of Programme 6, this output was listed as output indicator 1.10.
16 In the preceding financial years, before the establishment of Programme 6, this output was listed as output indicator 1.11.

Outcomes	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation	Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets
			2022/23	2023/24	2024/25	2024/25	2024/25		
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.7 Support provincial research agenda[17]	-	-	4	4	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.8 Operational Eastern Cape regional observatory[18]	-	-	1	1	-	-	-
Outcome 1: A developmental state that actively leads development through partnerships	Knowledge generation	6.9 Number of evaluation reports produced[19]	-	-	4	6	+2	The over-performance is due to the project team's ability to complete additional evaluations with the assistance of additional temporary resources.	

17 In the preceding financial years, before the establishment of Programme 6, this output was listed as output indicator 1.14.
18 In the preceding financial years, before the establishment of Programme 6, this output was listed as output indicator 1.15.
19 In the preceding financial years, before the establishment of Programme 6, this output was listed as output indicator 1.16.

3.6.3. Linking performance with budgets

Budget Performance						
	2024/2025			2023/2024		
	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure	Budget	Actual Expenditure per AFS	(Over)/ Under Expenditure
SRI	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	1 930	1 883	47	3 260	2 579	681
COE	7 752	7 688	64	10 403	9 248	1 155
CAPEX	-	-	-	4 486	4 350	136
TOTAL	**9 682**	**9 571**	**111**	**18 149**	**16 177**	**1 972**

The variances are reasonable

3.6.4. Strategy to overcome areas of underperformance

No under performance recorded.

Programme 6: Strategic Research and Innovation

Dr. Sybert Liebenberg
Programme Manager

Barry Morkel
Planning Data Specialist

Bulelwa Lubelwana
GIS Specialist

Dr Kambale Kavese
Senior Economist

Andiswa Mbali
Statistical Economist

04 REVENUE COLLECTION

	2024/2025			2023/2024		
Sources of Revenue	Budget	Actual Amount Collected	(Over)/Under Collection	Budget	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the Premier	85 328	85 328	-	81 420	81 420	-
Services Rendered	3 624	3 624	-	2 517	2 517	-
Other Income	3 309	3 386	-77	9 515	9 637	-122
Total	**92 261**	**92 338**	**-77**	**93 452**	**93 574**	**-122**

Office of the Premier	Transfer funds from the Department as per budget.
Services Rendered	Services rendered includes SLA income per contracts entered into with institutions for the completion of deliverables.
Other	Other income consists of interest, insurance claims and dividends as well as funds allowed for roll over from the previous financial year
	Over collection is due to additional interest collected on the cash in the bank account.

05 CAPITAL INVESTMENT

ECSECC's capital investment includes computers, furniture and fittings, office equipment and intangible assets being computer systems.

PART C

GOVERNANCE

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01 INTRODUCTION

Corporate governance embodies the processes and systems by which the Eastern Cape Socio-Economic Council (ECSECC) is directed, controlled and held to account. In addition to legislative requirements based on the Companies Act, corporate governance in ECSECC is applied through the prescripts of the Public Finance Management Act (PFMA) together with the principles contained in the King Report on Corporate Governance.

The Provincial Legislature, the Executive and the Accounting Authority of ECSECC are responsible for corporate governance.

02 PORTFOLIO COMMITTEE

In the period under review, the ECSECC Board and Management, attended the OTP Portfolio Committee meetings on the following dates:

27 August 2024;

05 September 2024; and

21 November 2024.

03 EXECUTIVE AUTHORITY

The relationship between ECSECC and the Office of the Premier (OTP) is governed by a Service Level Agreement (SLA) signed at the start of every financial year. ECSECC engages with the Office of the Premier on its plans in order to understand the expectations of the OTP. The OTP is invited to the annual strategic review session of the Board. ECSECC reports on a quarterly, mid-term and annual basis to the OTP.

ECSECC management meets quarterly with the Premier to present quarterly performance results.

ECSECC has complied with the SLA stipulations and has submitted quarterly reports and plans, mid-term reports, and an APP and annual report in line with the legislative prescripts as well.

04 THE ACCOUNTING AUTHORITY / THE BOARD

4.1. Introduction

The Eastern Cape Socio-Economic Consultative Council is governed by a multi-stakeholder Board of Directors who account to the Premier as the Executive Authority. The Premier has delegated Ms Thobile Buthelezi to serve as the interim Chairperson of the ECSECC Board until the legislation is finalised. The Board of Directors are proposed by the six (6) stakeholder constituencies that make up ECSECC in terms of ECSECC's Memorandum of Incorporation. These stakeholder representatives are elected at an Annual General Meeting and serve for two (2) years, after which they become eligible for re-election if nominated by their stakeholder constituencies.

Each stakeholder constituency has two (2) representatives on the Board of Directors. A maximum of two additional Board members may be recruited onto the Board of Directors at the Annual General Meeting.

The Board meets four times a year to consider reports from management and its Sub-Committees. The committees also meet four times a year to consider reports from management and perform such duties as delegated to it by the Board.

4.2. The Role of the Board

The Board of ECSECC meets four times a year, and its role is to provide strategic leadership to the organisation, ensuring corporate governance principles are adhered to. It also considers quarterly reports from management and oversees the overall performance of the organisation in line with its mandate and strategic plan.

4.3. Board Charter

The Memorandum of Incorporation is incorporated into the ECSECC Board Charter and stipulates the nature and powers of the company; directors' disqualification, removal and rotation of directors; authority of the Board of Directors; meetings – proceedings, minutes and annual general meetings; indemnification and remuneration of directors; officer and committees; notices; distribution of income; deregistration; financial year end; accounting records and, financial statements and donations.

The Board and its sub-committees completed their performance assessment. The assessment also considered the requirements set out in the charter(s) of the Board and its sub-committees. Overall, the Board and its sub-committees complied with the requirements of the charters.

4.4. Composition of the Board

As stated above, the Premier has delegated Ms Thobile Buthelezi to be the Chairperson of the ECSECC Board. The Board of Directors are proposed by the six (6) stakeholder constituencies that make up ECSECC in terms of ECSECC's Memorandum of Incorporation. These stakeholder representatives are elected at an annual general meeting.

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications / Area of Expertise	Board Directorships (List of Entities)	Other Committees or Task Teams (e.g., Audit Committee/ Ministerial Task Team)	No. of Meetings Attended[20]
Ms. T Buthelezi	Provincial Government	August 2023	Current	Constituency based	None	EXCO	13
Ms. N Nombekela-Madiba	Provincial Government	August 2021	Current	Constituency based	None	None	8
Mr. L Jack	Higher Education	August 2016	Current	Constituency based	1. Chris Hani Development Trust 2. Learning Futures 3. Aspire	Finance and Admin	9
Prof. M Simatele	Higher Education	October 2020	Current	Constituency based	None	EXCO Planning and Programmes	20
Mr. M Maleki	Organised Labour	August 2019	Current	Constituency based	None	Planning and Programmes	14
Mr. Z Ndlela	Organised Labour	August 2023	November 2024	Constituency based	None	None	5
Ms. N Masango	Organised Labour	November 2024	Current	Constituency based	None	None	1
Mr. K Jacobs	Non-Governmental Organisations	August 2021	Current	Constituency based	1. Buffalo City Youth Development Co-operative 2. Dlwengu Traders 3. MTKM Trading 4. African Renaissance Media 5. Western Cape Community Media Development 6. World Diplomats Foundation	Planning and Programmes	18
Mr. D Xotyeni	Non-Governmental Organisations	October 2018	Current	Constituency based	MAEZ	Finance and Admin	18
Mr. S Gqegqe	Local Government	January 2019	Current	Constituency based	Nzululwazi Best Mangqalaza Foundation	Planning and Programmes and Finance and Admin	18
Mr. H Maxegwana	Local Government	August 2022	Current	Constituency based	NONE	None	8
Ms. L Maurice	Organised Business	August 2021	Current	Constituency based	1. BKCOB 2. Gatekeepers SA 3. SA Solid Estates 4. Own Haven Housing 5. CooperKing Development Trust 6. Lizelle Maurice	Audit, Risk and ICT Committee and Finance and Admin.	18
Ms. N Mzati	Organised Business	August 2023	Current	Constituency based	1. Elegant Line Trading 2. Tizzawell NAFCOC Women Cooperative	Planning and Programmes	10
Ms. N Faltein	Organised Business	August 2023	Current	Constituency based	1. Orion Engineering Carbons 2. Nelson Mandela Business Chamber 3. Amila	None	7
Mr. Z Tini	Independent	Before 2007	Current	Constituency based	1. MF Processing 2. Yaound Invest 3. K2019476310 4. Winter Rose RFC	EXCO Finance and Admin	26

20 These meetings include induction, Board of Directors, AGM, sub-committees (planned and special), portfolio committee, strategic planning, audit processes, training, recruitment processes, Risk Assessment and ECSECC stakeholder engagements.

ECSECC Board Members

Ms. T Buthelezi

Mr. Z Tini

Ms. N Nombekela-Madiba

Mr. L Jack

Prof. M Simatele

Mr. M Maleki

Ms. N Masango

Mr. K Jacobs

Mr. D Xotyeni

Mr. S Gqegqe

Mr. H Maxegwana

Ms. L Maurice

Ms. N Mzati

Ms. N Faltein

4.5. Board Committees

Committee	No. of meetings	No. of members	Name of members
Executive Committee	4	3	Ms T. Buthelezi (Chairperson) Mr Z. Tini Prof. M. Simatele
Finance and Admin Sub-Committee	5	5	Mr Z. Tini (Chairperson); Mr D. Xotyeni Ms L. Maurice Mr S. Gqegqe Mr L. Jack
Planning and Programmes Sub-Committee	5	5	Prof M. Simatele (Chairperson); Mr S. Gqegqe Mr K. Jacobs Mr M. Maleki Ms N. Mzati
Audit, Risk and ICT Committee	5	6	Ms D. Page (Chairperson); Ms L. Maurice (Board Representative) Ms W. Dukuza Mr B. Bothma Mr M. Sikhosana Ms B. Mbana-Gantsho

4.6. Remuneration of Board Members

The Board remuneration is also discussed in the annual financial statements section. The remuneration of the Board has been determined through benchmarking with other entities in the Province. In future, these benchmarks will be reviewed in line with Treasury Regulations and in consultation with the Executive Authority.

Name	Remuneration	Other Allowance	Other Re-imbursements (mainly travel)	Total
Ms T. Buthelezi	NIL	NIL	NIL	NIL
Ms N. Nombekela-Madiba	NIL	NIL	NIL	NIL
Mr L. Jack	R38 700,00	NIL	NIL	R38 700,00
Prof. M. Simatele	R89 500,00	NIL	NIL	R89 500,00
Mr M. Maleki	R60 200,00	NIL	R71,13	R60 271,13
Mr Z. Ndlela	R21 500,00	NIL	R697,20	R22 197,20
Ms N. Masango	R4 300,00	NIL	NIL	R4 300,00
Mr K. Jacobs	R77 400,00	NIL	R1 325,04	R78 725,04
Mr D. Xotyeni	R77 400,00	NIL	R1 061,64	R78 461,64
Mr S. Gqegqe	R77 400,00	NIL	R1 022,81	R78 422,81
Mr H. Maxegwana	R34 400,00	NIL	NIL	R34 400,00
Ms L. Maurice	R77 400,00	NIL	NIL	R77 400,00
Ms N. Mzati	R43 000,00	NIL	NIL	R43 000,00
Ms N. Faltein	R30 100	NIL	NIL	R30 100
Mr Z. Tini	R115 300,00	NIL	R801,52	R116 101,52

05 RISK MANAGEMENT

The scope of the internal audit is in line with the Treasury Regulations, and limited to the extent that only samples of transactions are selected to determine whether the network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to determine whether management processes exist to ensure that:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently and adequately protected.
- Programmes, plans and objectives are achieved.
- Quality and continuous improvement are fostered in the entity's control processes.
- Significant legislative or regulatory issues impacting the entity are recognised and addressed appropriately.

The Audit, Risk and ICT Committee is an integral component of the risk management process, specifically overseeing financial reporting risks and fraud risks associated to internal financial controls. The Committee considers the overall risk management processes within the organisation.

Risk management is embedded in ECSECC activities, considered in the APP and operational plan, and is included in all project plans. Risk management is also discussed at management committee meetings and is monitored and reported on a quarterly basis. Risk management is also included in all managers' performance agreements.

06 INTERNAL CONTROL UNIT

The role of the internal control unit is played by the internal audit and the oversight role by the Audit, Risk and ICT Committee. The detailed discussion is expressed in section 15.1 below.

07 INTERNAL AUDIT AND AUDIT COMMITTEE

7.1. The Audit Function at ECSECC

The internal controls, finances and performance information of ECSECC were reviewed and audited by the internal auditors. ECSECC's internal audit function is outsourced. The summary of audit work performed in the year under review includes:

- Facilitation of organisation risk assessment;
- Review of Annual Financial Statements;
- Audit of predetermined objectives;
- Follow-up reviews;
- Procurement and Contract Management review;
- Business continuity (BC) and Disaster Recovery review – focus on cybersecurity;
- Talent Management and Succession Planning;
- IT governance and Infrastructure review.

The Audit, Risk and ICT Committee consists of the members listed hereunder and meets at least four (4) times per annum as per its approved charter. During the current year, a total of five (5) meetings were held.

ECSECC Audit, Risk and ICT Committee Members	Number of Meetings Attended
Ms. D Page	5
Ms. W Dukuza	5
Mr. B Bothma	4
Mr. M Sikhosana	5
Ms. B Mbana-Gantsho	5
Ms. L Maurice (Board Representative)	5

The table below discloses relevant information on the Audit, Risk and ICT Committee members:

Name	Highest Qualification	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No. of Meetings Attended
Ms. L Maurice	BAdmin (incomplete) Project Management	Board Representative	Board Member	August 2021	Current	5
Ms. D Page	Chartered Accountant	External		August 2022	Current	8
Ms. W Dukuza	Admitted Attorney, MBA	External		August 2022	Current	8
Mr. B Bothma	BCom Business Commerce Information Systems and Management CISA	External		August 2022	Current	8
Mr. M Sikhosana	Chartered Accountant	External		August 2022	Current	9
Ms. B Mbana-Gantsho	Chartered Accountant, Business Risk Management	External		August 2022	Current	12

08 COMPLIANCE WITH LAWS AND REGULATIONS

ECSECC has a compliance policy which regulates the state of compliance within the entity. Further, there are policies and procedures that employees abide by, which are made available to each individual. Provincial Treasury makes available to the entity any changes to regulations that might have an impact on the entity. Lastly, ECSECC obtains some assurance from internal and external audits when it comes to compliance related matters.

09 FRAUD AND CORRUPTION

ECSECC has a Fraud Prevention Policy, a strategy and a plan in place. All these documents are communicated to employees, and individuals are required to comply. Employees and other stakeholders can make use of the national anti-corruption hotline managed by the Public Service Commission. ECSECC receives quarterly reports confirming any whistleblowing from the Provincial Public Service Commission. These are communicated to the Audit, Risk and ICT Committee. Further, employees are encouraged to make confidential disclosures should they suspect any instances of fraud within the organisation.

There have been no reports of fraudulent activities in the current financial year.

10 MINIMISING CONFLICT OF INTEREST

ECSECC makes every available effort to minimise the risk of conflict of interest in all its business dealings. The entity has policies and procedures that assist in managing the risk. Further, Directors and employees are required to complete a disclosure of interest annually, including supply chain practitioners.

The entity conducts every year Ethics & Fraud awareness sessions which include discussions on conflict of interest and related ethical considerations. All Bid Adjudication and Evaluation Committee members also disclose their interest at every sitting. Members who are conflicted are excused from that specific sitting.

11 CODE OF CONDUCT

ECSECC has a Code of Conduct that Directors and employees sign on an annual basis at the beginning of each financial year. An information session is also conducted once a year. Where there is a breach of the Code of Conduct, the organisation deals with it within the prescripts of its disciplinary procedures and applicable legislation.

12 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The organisation strives towards keeping a welcoming, safe and healthy working environment and has not experienced any health challenges or injury on duty in the period under review.

13 BOARD SECRETARY

ECSECC has not appointed a Company Secretary. The Executive Secretary and Chief Risk Officer plays the role of the Board Secretary and is responsible for driving the functionality and providing administrative support to the Board.

14 SOCIAL RESPONSIBILITY

ECSECC is a public entity responsible for advising the government on socio-economic development policy choices. Additionally, ECSECC is a non-profit-making entity, and integral in its work is providing advice that will ultimately lead to the qualitative change in the lives of the people. Consequently, ECSECC has no specific social responsibility programmes, as this is integral to all its work.

15 AUDIT, RISK & ICT COMMITTEE REPORT

The Committee is pleased to present our report for the financial year ended 31 March 2025.

The tabled below discloses relevant information on the Audit, Risk & ICT Committee members:

ECSECC Audit, Risk and ICT Committee Members
Ms. D Page
Ms. W Dukuza
Mr. B Bothma
Mr. M Sikhosana
Ms. B Mbana-Gantsho
Ms. L Maurice (Board Representative)

15.1. Audit, Risk & ICT Committee Responsibility

The Audit, Risk & ICT Committee (hereinafter referred to as the Committee) is a sub-committee of the Eastern Cape Socio Economic Consultative Council (hereinafter referred to as the Council), established to assist it in fulfilling its oversight responsibilities in terms of section 51 of the Public Finance Management Act (PFMA), No. 1 of 1999 read together with Treasury Regulation 27.1. The Committee's mandate is to assist the Council specifically in matters relating to statutory and internal audits; internal controls; financial control and reporting; statutory compliance relative to the financial statements; performance; risk management; ICT and corporate governance.

The Committee reports that it has complied with its responsibilities arising from the sections as stated above, has adopted appropriate formal terms of reference as its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

15.2. The effectiveness of internal control

The system of internal control applied by the entity over financial risk, risk management and ICT is effective, efficient and transparent.

In line with the PFMA and Companies Act 2008 requirements, Internal Audit provides the Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of risk management process, as well as identification of corrective actions and suggested enhancements to the controls and processes.

From the reports of the Internal Auditors no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal controls was effective for the period under review.

15.3. In-Year Management And Monthly/ Quarterly Report

The public entity has submitted quarterly reports to the Accounting and Executive Authority.

15.4. Evaluation of Financial Statements and Annual Report

The Committee has:

- Reviewed and discussed the financial statements to be included in the annual report.
- Reviewed accounting policies and practices.
- Reviewed the entity's compliance with legal and regulatory provisions.

The Committee recommended to the Accounting Authority, for their approval, that the financial statements and annual report be submitted to the AGSA for audit by the 31 May 2025.

15.5. Internal Audit

The Committee is satisfied that the internal audit function operated effectively and that it has addressed the risks pertinent to the entity in its audits. The Committee appreciates the good working relations between ECSECC and its internal auditors.

15.6. Auditor's Report

The Committee is pleased with and accepts the Auditor General's report for the year ended 31 March 2025.

MS. DONEE PAGE CA(SA)

Chairperson of the Audit, Risk & ICT Committee

29 August 2025

ECSECC Audit Committee

Ms. D Page

Ms. W Dukuza

Mr. B Bothma

Mr. M Sikhosana

Ms. B Mbana-Gantsho

Ms. L Maurice (Board Representative)

16 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance with the BBBEE requirements of the BBBEE 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) with regards 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?	Yes, but only regarding the authorisation of economic activity in terms of the law	Procurement of goods & services – the entity followed clear qualifying criteria as guided by Preferential Procurement Regulation when procuring goods & services
Developing and implementing a preferential procurement policy?	Yes	The entity developed and implemented a Supply Chain Management (SCM) Policy based on Preferential Procurement requirements.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A – as the entity has not entered into partnerships with the private sector	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A– by nature of the entity, there were no incentives, grants or investment schemes awarded by the entity	N/A

ECSECC in 2024/25 financial year achieved B-BBEE status level 6 with discounted B-BBEE status level 7 which is an improvement from the previous year's assessment

PART D

HUMAN RESOURCES MANAGEMENT

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01 INTRODUCTION

Overview of Human Resources (HR) Matters at ECSECC

ECSECC implemented the Human Resources programmes through ensuring:

- ECSECC has a healthy, productive, capable, and agile workforce, along with a robust HR management and development system.
- There is increasing investment and focus on staff development and skills development to ensure upgrading of skills and competencies in line with the value proposition and service offering; and
- Strengthening the learning culture.

Set HR priorities for the year under review and the impact of these priorities

The Human Resources priorities for the period under review include:

- Reinforcing organisational values through orienting all employees on the organisational values.
- Providing continuous learning and training. Providing resources to support learning and development. Encouraging employees to participate in learning opportunities.
- Promoting employee health and wellness by organising a Wellness Day and other wellness programmes and activities.
- Improvement and automation of the Human Resources systems; and
- Review and update the Human Resources policies and procedures, including conducting change management programmes.

Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce

ECSECC identifies the key capabilities required to achieve the organisation's five-year strategic plan and its service excellence model. Based on the identified priorities, the agreed service excellence model and identified capabilities, the organisational design implications are then identified. The programmes that are needed to achieve the objectives are identified, and together they form an organisational structure. This organisational structure is reviewed on an annual basis, as part of the annual planning process. It is then approved by the Board of Directors for implementation at the beginning of the financial year. ECSECC management fills the positions based on the approved organogram.

Employee Performance Management Framework

ECSECC uses a performance management and development system to manage the performance of employees. The performance management system used not only assesses and enhances employee performance but also aims to create motivated employees who are resilient, take initiative, are innovative, and are effective self-leaders. The performance management system is structured such that it encourages employees to practice the organisational values that are reflected in the organisation's five-year strategic plan.

Performance reviews are done twice a year. The first review covers the first six months, and the second review covers the whole financial year. Managers are encouraged to engage and give feedback to employees on their performance throughout the financial year.

Highlight achievements

During the period under review, ECSECC Human Resources achieved the following highlights:

- Provided funding to employees for skills development to ensure that ECSECC employees are fit for purpose in the execution of ECSECC's Value Proposition. Of those employees, two are currently enrolled on their PhD studies.
- Coordinated job description writing and job evaluation training
- Started the process of registering ECSECC on a provident fund for ECSECC employees.
- Started the skills audit and organisational design project
- Successfully registered ECSECC with PSETA and submitted the first Workplace Skills Plan.
- A successful Wellness Day, including Africa Day and Women's Day events; and
- Successfully submitted the Employment Equity Report as per the requirements of the Department of Labour.

Challenges faced by the public entity

The HR department encountered challenges, including delays in implementing its project, due to regulations on cost containment measures.

Future Human Resource plans and goals

ECSECC plans to conduct an organisational climate survey in the next financial year. The climate survey will be undertaken to give employees an opportunity to engage with management as a way of contributing towards providing a healthy working environment for employees, as well as a feedback mechanism and enhance management's understanding of what is essential to ECSECC's employees.

As part of our ongoing skills audit and organisational redesign initiative, the next phase of our project will involve a comprehensive job evaluation exercise. This evaluation is designed to assess the relative value of each position within the organisation, ensuring alignment with our strategic objectives and promoting fair and equitable job classification.

ECSECC will continue to place a strong emphasis on employee health and wellness programmes and providing continuous learning and training opportunities for its employees.

02 HUMAN RESOURCE OVERSIGHT STATISTICS

Key information regarding ECSECC's human resources is provided below. All financial amounts agree with the AFS, and where there are variances, appropriate reasons have been given.

2.1. Personnel-related expenditure

Personnel cost by programme/ activity/ objective

Programme/Activity/Objective	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp. per Programme	No. of Employees	Average Personnel Cost per Employee (R'000)
Corporate Services	38 107	24 823	65%	25	993
Economic Governance and HRD	9 710	8 472	87%	8	1 059
Governance and Planning Support	11 041	9 735	88%	6	1 623
Eastern Cape AIDS Council	7 465	6 229	83%	5	1 246
Khawuleza PMO	11 744	9 456	81%	9	1 051
Strategic Research and Innovation	9 571	7 687	80%	7	1 537
TOTAL	**87 638**	**66 402**	**76%**	**58**	**1 145**

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	4 742	7%	2	2 371
Senior Management	13 589	20%	6	2 265
Professional qualified	28 278	43%	21	1 347
Skilled	13 971	21%	21	665
Semi-skilled	5 822	9%	8	728
Unskilled	-	0%	0	-
TOTAL	**66 402**	**100%**	**58**	**1 145**

Performance rewards

Programme/Activity/Objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost
Top Management	769	4 742	16%
Senior Management	1 377	13 589	10%
Professional qualified	3 711	28 278	13%
Skilled	1 650	13 971	12%
Semi-skilled	491	5 491	9%
Unskilled	-	331	0%
TOTAL	**7 998**	**66 402**	**12%**

Training costs

Programme/Activity/Objective	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)
Corporate Services	24 823	162	1%	11	15
Economic Governance and HRD	8 472	125	1%	3	42
Governance and Planning Support	9 735	60	1%	1	60
Eastern Cape AIDS Council	6 229	9	0%	2	5
Khawuleza PMO	9 456	309	3%	9	34
Strategic Research and Innovation	7 687	21	0%	2	11
Total	**66 402**	**686**	**1%**	**28**	**166**

Employment and vacancies

Programme/Activity/Objective	2024/2025 (1 April 2024) No. of Employees	2024/2025 (1 April 2024) Approved Posts	2024/2025 (31 March 2025) No. of Employees	2024/2025 (31 March 2025) Vacancies	% of Vacancies
Corporate Services	25	25	26	1	4%
Economic Governance	8	9	8	1	11%
Governance Planning and Support	6	6	6	0	0%
Eastern Cape AIDS Council	6	6	5	1	16.6%
Khawuleza Project Management Office	9	11	9	1	9%
Strategic Research and Innovation	5	5	5	0	0%

- Corporate Services – 1 additional vacancy was approved in November 2024.
- KPMO – 1 vacancy (Database Administrator) was removed from the organogram

Programme/Activity/Objective	2024/2025 (1 April 2024) No. of Employees	2024/2025 (1 April 2024) Approved Posts	2024/2025 31 March 2025 No. of Employees	2024/2025 (31 March 2025) Vacancies	% of Vacancies
Top Management	2	2	2	0	0%
Senior Management	7	7	6	1	14%
Professional qualified	19	22	21	1	4.5%
Skilled	23	23	21	1	4.3%
Semi-skilled	9	9	8	1	11%
Unskilled	0	0	0	0	0%
TOTAL	**60**	**63**	**58**	**4**	**6%**

The Programme Manager: ECAC was advertised twice internally and externally. There were no internal candidates who applied due to the position being a 5 year contract.

Project Manager Infrastructure - the position was advertised internally and externally. A candidate was appointed and resigned after serving a month in the position due a better offer he received from another entity. The salary offered could not be matched. The position was offered to a candidate who was the second highest scoring candidate in the position who did not accept it. The position was then re-advertised towards the end of the financial year.

Employment changes

Provide information on changes in employment over the financial year. Turnover rates indicate trends in the employment profile of the public entity.

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	2	0	0	2
Senior Management	7	0	1	6
Professional Qualified	19	0	1	21
Skilled	20	2	1	21
Semi-skilled	8	1	1	8
Unskilled	0	0	0	0
Total	**56**	**3**	**4**	**58**

Reasons for staff leaving

Reason	Number	% of Total No. of Staff Leaving
Death	0	0%
Resignation	3	5%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	1	1%
Other	0	0%
Total	**4**	**5%**

3 Colleagues resigned due to better offers they received externally.

Labour relations: Misconduct and disciplinary action

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

Equity target and employment equity status

Explanations: Provide explanations for major variances between the target and current, and attempts made by the public entity to address the variances.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	4	3	0	0	0	0	1	0
Professional qualified	7	8	2	1	0	0	0	1
Skilled	4	9	0	1	0	0	0	1
Semi-skilled	0	4	0	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**16**	**25**	**2**	**3**	**0**	**0**	**1**	**2**

Levels	FEMALE							
	AFRICAN		Coloured		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	2	1	0	0	0	0	0	0
Professional qualified	11	7	1	1	0	0	1	0
Skilled	14	8	0	1	1	0	0	0
Semi-skilled	8	3	0	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**36**	**20**	**1**	**3**	**1**	**0**	**1**	**0**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	1	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**1**	**0**	**0**	**0**


ecsecc
eastern cape socio economic consultative council
OUR VISION
A PROSPEROUS and PRODUCTIVE Eastern Cape where all people realise their HUMAN POTENTIAL

PART E

PFMA COMPLIANCE REPORT

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01 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

c) Details of current and previous year irregular expenditure condoned

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

e) Details of current and previous year irregular expenditure recovered

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

Additional disclosure relating to Inter-Institutional Arrangements

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. The section is not applicable.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2024/2023 R'000
Opening balance	400	2,250
Add: Fruitless and wasteful expenditure confirmed	3,060	5,320
Less: Fruitless and wasteful expenditure written off		(2,400)
Less: Fruitless and wasteful expenditure recoverable	(400)	(4,770)
Closing balance	3,060	400

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025 R'000	2023/2024[21] R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	-	-
Fruitless and wasteful expenditure for the current year	3,060	5,320
Total	**3,060**	**5,320**

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

The section is not applicable as there is no current or previous year fruitless & wasteful expenditure under assessment.

c) Details of current and previous year irregular expenditure recovered

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. Therefore, the section is not applicable to the entity.

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

ECSECC did not incur irregular expenditure in 2024/25 and 2023/24 financial years. Therefore, the section is not applicable to the entity.

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

Fruitless and wasteful expenditure recovered was mostly for meeting that was concluded earlier than anticipated, employees were warned management.

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

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

There were no current nor previous year material losses through criminal conduct.

b) Details of other material losses

The section is not applicable as there were no other material losses.

c) Other material losses recovered

The section is not applicable as there were no other material losses.

d) Other material losses written off

The section is not applicable as there were no other material losses.

21 Record amounts in the year in which it was incurred

02 LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	254	16,457,382
Invoices paid **within** 30 days or agreed period	254	16,457,382
Invoices paid **afte**r 30 days or agreed period		
Invoices older than 30 days or agreed period **(unpaid and without dispute)**		
Invoices older than 30 days or agreed period **(unpaid and in dispute)**		

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

03 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
System Support	VIProjects (PTY) Ltd	Single Sourcing	10416	R5 180,31
Vehicle Repairs & Maintenance	Automall Nissan	Single Sourcing	10429	R16 140,57
Subscription Renewal	IHS Information & Insight (PTY) Ltd	Sole Sourcing	10451	R364 941,69
Asset Hand Scanner	IPIN Technologies	Single Sourcing	10547	R17 940,00
Subscription Renewal	ITR Technology	Sole Sourcing	10583	R85 883,15
Subscription Renewal	Adapt IT	Sole Sourcing	10587	R105 095,12
System Support	VIProjects (PTY) Ltd	Single Sourcing	10588	R4 876,00
Subscription Renewal	Quantec Enterprises	Sole Sourcing	10688	R83 214,00
Licence Renewal	ESRI South Africa	Sole Sourcing	10705	R41 169,51
Licence Renewal	SAGE South Africa	Sole Sourcing	10713	R29 733,25
Licence Renewal	SAGE South Africa	Sole Sourcing	10758	R13 712,00
Data Acquisition	CSIR	Sole Sourcing	10795	R992 220,00
Total				**R1,760,105 ,60**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Subscription Renewal	Mars Technologies (PTY) Ltd	Contract Expansion	10561	*Needs based contract	0	R19 190,65
Office Accommodation	Atros Trust	Contract Extension	10655	R28 695,233,61	0	R3 313 946,70
Security Guarding	Likunga Protection Security Services	Contract Extension	10706	R2 114 958,57	0	R218 730,58
Total				**R30 810 192,18**	**0**	**R3 551 867,93**

FINANCIAL INFORMATION

PART F

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01 REPORT OF THE EXTERNAL AUDITOR

Report of the Auditor-General to Eastern Cape Provincial Legislature on Eastern Cape Socio-Economic Consultative Council

REPORT ON THE FINANCIAL STATEMENTS

1. I have reviewed the financial statements of the Eastern Cape Socio Economic Consultative Council set out on pages 102 to 140, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Eastern Cape Socio Economic Consultative Council as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Responsibilities of the accounting authority for the financial statements

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

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

5. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.
6. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
7. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

REPORT ON THE ANNUAL PERFORMANCE REPORT

8. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report. I selected the following material performance indicators related to economic governance and human resource development (HRD) and governance and planning support presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of applied research and knowledge product on economic and human resource development produced
    - Number of policy, strategy or planning documents developed for economic development and HRD
    - Number of stakeholder engagement sessions facilitated for economic growth and human resources development
    - Number of strategies or planning documents developed for enhanced long-term planning
    - Number of reports on initiatives that facilitate the implementation of Eastern Cape Provincial Development Plan (PDP)
    - Progress reports on stakeholder platforms

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

10. I performed procedures to test whether:

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

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

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

REPORT ON COMPLIANCE WITH LEGISLATION

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

14. I 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, I do not express an assurance opinion or conclusion.

15. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

16. I did not identify any material non-compliance with the selected legislative requirements.

INTERNAL CONTROL DEFICIENCIES

17. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

18. I did not identify any significant deficiencies in internal control.

PROFESSIONAL ETHICS AND QUALITY CONTROL

19. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards* (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

20. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor General.

East London

29 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

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); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4

02 ANNUAL FINANCIAL STATEMENTS

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

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Mr L. Mosana
Chief Executive Officer

Ms K. Gwazela
Chief Financial Officer who supervised the preparation of the annual financial statements

Mr Z. Tini
For the board of directors on behalf of the Accounting Authority

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Current Assets			
Cash and cash equivalents	3	7,370,612	12,618,114
Prepayments	4	1,426,594	2,631,837
Receivables from exchange transactions	5	870,392	279,637
Rental deposit	6	502,878	480,930
		10,170,476	**16,010,518**
Non-Current Assets			
Property, plant and equipment	7	5,749,655	7,103,450
Intangible assets	8	9,857,621	9,248,351
Other financial assets	9	177,830	149,119
Prepayments	4	330,133	41,883
		16,115,239	**16,542,803**
Total Assets		**26,285,715**	**32,553,321**
Liabilities			
Current Liabilities			
Funds to be surrendered	10	4,676,308	9,576,486
Payables from exchange transactions	11	4,600,856	6,802,857
Finance lease obligation	12	-	116,635
Operating lease liability	13	-	267,200
		9,277,164	**16,763,178**
Total Liabilities		**9,277,164**	**16,763,178**
Net Assets		**17,008,551**	**15,790,143**
Accumulated surplus		**17,008,551**	**15,790,143**

STATEMENT OF **FINANCIAL PERFORMANCE**

Figures in Rand	Note(s)	2025	2024
Revenue	15	87,415,494	82,343,790
Profit on disposal of assets	16	62,332	14,855
Operating expenses	16	(88,359,282)	(81,693,001)
Operating (deficit) surplus		**(881,456)**	**665,644**
Investment revenue	17	2,076,710	2,371,542
Fair value adjustments		28,711	27,980
Finance costs	21	(5,557)	(30,471)
Surplus for the year		**1,218,408**	**3,034,695**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	12,755,448	12,755,448
Balance at 01 April 2023	**12,755,448**	**12,755,448**
Changes in net assets		
Surplus for the year	3,034,695	3,034,695
Total changes	3,034,695	3,034,695
Balance at 01 April 2024	**15,790,143**	**15,790,143**
Changes in net assets		
Surplus for the year	1,218,408	1,218,408
Total changes	1,218,408	1,218,408
Balance at 31 March 2025	**17,008,551**	**17,008,551**

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Rendering of services		544,255	4,366,365
Grants		80,116,000	75,296,000
Interest income		2,047,112	2,364,665
Dividends received		6,877	6,877
		82,714,244	82,033,907
Payments			
Employee costs		(66,337,346)	(60,750,378)
Suppliers		(20,784,442)	(18,047,225)
Finance costs		(5,557)	(30,471)
		(87,127,345)	(78,828,074)
Net cash flows from operating activities	22	**(4,413,101)**	**3,205,833**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(131,598)	(1,212,177)
Proceeds from disposal of property, plant and equipment	7	23,102	24,330
Purchase of intangible assets	8	(609,270)	(4,022,310)
Net cash flows from investing activities		**(717,766)**	**(5,210,157)**
Cash flows from financing activities			
Finance lease obligation		(116,635)	(179,002)
Net decrease in cash and cash equivalents		**(5,247,502)**	**(2,183,326)**
Cash and cash equivalents at the beginning of the year		12,618,114	14,801,440
Cash and cash equivalents at the end of the year	3	**7,370,612**	**12,618,114**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash 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						
Rendering of services	-	3,624,395	**3,624,395**	3,624,395	**-**	1.
Other income	-	1,308,828	**1,308,828**	1,308,828	**-**	2.
Investment revenue	1,500,000	500,000	**2,000,000**	2,076,710	**76,710**	3.
Total revenue from exchange transactions	**1,500,000**	**5,433,223**	**6,933,223**	**7,009,933**	**76,710**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants	85,328,000	-	**85,328,000**	85,328,000	**-**	
Total revenue	**86,828,000**	**5,433,223**	**92,261,223**	**92,337,933**	**76,710**	
Expenditure						
Employee related costs	(66,397,012)	(995,000)	**(67,392,012)**	(66,402,462)	**989,550**	4.
General expenses	(20,380,988)	(3,082,774)	**(23,463,762)**	(20,494,312)	**2,969,450**	5.
Total expenditure	**(86,778,000)**	**(4,077,774)**	**(90,855,774)**	**(86,896,774)**	**3,959,000**	
Operating surplus	**50,000**	**1,355,449**	**1,405,449**	**5,441,159**	**4,035,710**	
Capital expenditure	(50,000)	(1,355,449)	**(1,405,449)**	(740,868)	**664,581**	6.
Surplus	**-**	**-**	**-**	**4,700,291**	**4,700,291**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement				**4,700,291**	**4,700,291**	
Reconciliation						
Basis difference adjustments:						
Other income				(1,246,496)		
Employee related costs				(441,445)		
General expenses				498,003		
Government grants				(311,822)		
Capital expenditure				740,868		
Depreciation				(1,524,623)		
Fair value adjustment				28,711		
Timing difference adjustments:						
Rendering of services				(1,225,079)		
Actual Amount in the Statement of Financial Performance				**1,218,408**		

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The ECSECC budget adjustments as well as material variances are explained as follows:
Management considers both qualitative and quantitative factors in assessing material adjustments and variances. Ranges of more than roughly 2% as well as information relevant to the users is considered.

1. The rendering of services includes service level agreements entered into between ECSECC and 3rd parties for the delivery of professional services as agreed. The agreed payment for these services is allocated to the budget in line with the anticipated outflow of costs. The budget adjustments include funds received in the previous financial year and rolled over to be utilized in the current year as well as to bring in additional funds received during the year for new agreements. It is important to note that the budget allocation of funds for expenditure is not allocated on the same basis as the GRAP requirements for the recognition of revenue. Therefore, revenue will be recognised in accordance with GRAP, but the budget is allocated when expenditure is expected to be incurred which causes the recognised revenue and the allocation of budget not to align in the annual financial statements.

2. Other income includes an adjusted budget allocated for funds for the prior year commitments that were rolled over into the current year as well as insurance funds budgeted and received.

3. Investment revenue includes interest and dividends received. ECSECC earned more interest on funds in the bank account than anticipated. The budget was adjusted for this however additional slower cash flows resulted in interest earned above the adjusted budget.

4. Employee Related Costs budget adjustments mainly relate to the allocation of funds from Service Level Agreements to assist with short term expertise required to execute the work as agreed. The variance is due to vacancies during the year.

5. Budget adjustments to general expenditure were mainly due to the change in need of services originally identified for use. Underspending is mainly due to the fact that the Microsoft Licence was planned to be renewed in 2024/25 financial year, however could not be procured as Microsoft is still investigating the difference in terms of the period for the existing licence. The license will be renewed in 2025/26.

6. Budget adjustments to capital expenditure were mainly due to the change in need of services originally identified for use. Laptops were not procured by the IT unit. Consultations on the specification took longer than anticipated.

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

The Eastern Cape Socio Economic Consultative Council (ECSECC) is an entity domiciled in South Africa. The address of ECSECC's registered office is 12 Gloucester Road, Vincent, East London, 5201. ECSECC is involved in policy, planning and development facilitation support to provincial government and other stakeholders in the Eastern Cape. ECSECC is a Schedule 3C Public Entity as defined in the Public Finance Management Act (No. 1 of 1999) (PFMA) reporting to the Eastern Cape Office of the Premier.

The Eastern Cape Socio Economic Consultative Council Act, 2024 (Act No. 5 of 2024) was promulgated in August 2024 and will come into operation on 1 April 2025.

The annual financial statements were authorised on 29 May 2025 by the Board of Directors for issue on 31 May 2025.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand, which is the entity's functional currency. The figures in the annual financial statements are rounded to the nearest Rand value.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

1.2 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.

Judgements

In the process of applying these accounting policies, management has made the following judgments that may have a significant effect on the amounts recognised in the annual financial statements:

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of review and applied prospectively.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Motor vehicle residual value

The entity's management determines the estimated residual value for the entity's motor vehicle which affects the related depreciation charges. This estimate is based on industry norm. Management will amend the depreciation charge in the future should the estimated residual value change.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful life assessment

The entity's management determines the estimated useful life of an item of property, plant and equipment based on the entity's expected usage of the asset. The useful life is assessed at each reporting date and if expectations differ from previous estimate, the change is accounted for as a change in accounting estimate.

The entity's management determines the estimated useful life of an item of intangible assets based on the entity's expected usage of the asset. The useful life is assessed at each reporting date and if expectations differ from previous estimate, the change is accounted for as a change in accounting estimate. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's current condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the useful life and residual value, management considers the impact of technology and minimum service requirements of assets.

Contingencies

ECSECC accounts for the possible obligation of performance bonuses as a contingent liability. The estimate is based on the best estimate of the employee's performance with reference to the latest available scores. The latest payment scale as approved by the Board of directors is used to calculate the possible obligation together with the performance score.

1.3 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Improvements at the expense of ECSECC to leasehold premises held under operating lease have been capitalized as property, plant and equipment. It will be depreciated over the remaining lease period.

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

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

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

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

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

1.3 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	6 - 50 years
Motor vehicles	Straight line	5 - 15 years
Office equipment	Straight line	3 - 30 years
Computer equipment	Straight line	3 - 30 years
Leasehold improvements	Straight line	Lesser of 5 years or the remaining lease period

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

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

The depreciation charge for each period is recognised in surplus or deficit.

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 entity discloses relevant information relating to contractual commitments for the acquisition of property, plant and equipment in the notes to the financial statements (see note 23). Refer to accounting policy note 1.10 for commitments.

1.4 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research is recognised as an expense when it is incurred.

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

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

1.4 Intangible assets (continued)

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

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

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 5 years or indefinite

The entity discloses relevant information relating to contractual commitments for the acquisition of intangible assets in the notes to the financial statements (see note 23). Refer to accounting policy note 1.10 for commitments.

1.5 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or collectability.

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

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

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

1.5 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition.

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

- instruments held for trading. A financial instrument is held for trading if:
    - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
    - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
    - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
    - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Rental deposit	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at fair value

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

Trade and other payables	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm’s length exchange motivated by normal operating considerations. Valuation techniques include using recent arm’s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

Financial liabilities

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

1.6 Prepayments

A prepayment is an operating expense paid for in one accounting period, but for which the underlying asset will not be consumed until a future period. When the asset is eventually consumed, it is charged to expense.

A prepayment is carried on the Statement of Financial Position of the entity as a current asset until it is consumed. If a prepayment were likely to not be consumed within the next year, it would instead be classified on the Statement of Financial Position as a non-current asset. Once consumption has occurred, the prepayment is removed from the Statement of Financial Position and is instead reported in that period as an expense on the Statement of Financial Performance.

1.7 Leases

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

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

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

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

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

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

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

Relevant disclosures relating to details of future minimum lease payments under non-cancellable operating leases are made in note 23.

1.8 Employee benefits

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

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service; and
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service.

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

- as a liability (accrued expense - Accrued leave pay, other employee accruals or Employee savings accrual as part of Payables from exchange transactions), after deducting any amount already paid; or
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

1.8 Employee benefits (continued)

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

1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Funds to be surrendered are classified as provisions. The estimated calculation is made with reference to the Treasury Instruction notes that are effective at year end of that particular year.

1.10 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. These include purchase orders raised on or before 31 March 2025. Disclosure of commitments budgeted for in the current financial year and those budgeted for in subsequent years are disclosed separately and further split between capital commitments (items of property, plant and equipment or intangible assets) and operating commitments (items of general expenditure).

Disclosures are required in respect of unrecognised contractual commitments.

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

1.11 Revenue from exchange transactions (continued)

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The recognition of revenue by reference to the state of completion of the transaction may give rise to a corresponding liability for Income received in advance under Payables from exchange transaction; or a corresponding asset for Receivables from services rendered under Receivables from exchange transactions where there are differences between the cash received and revenue recognised.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

1.12 Revenue from non-exchange transactions

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

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

1.12 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Grant funding

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the entity. An unconditional grant is recognised in surplus or deficit as other income when the grant becomes receivable.

1.13 Comparative figures

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

1.14 Budget information

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

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

The approved budget is prepared on a cash basis including payables, certain commitments and prepayments and presented by economic classification.

The approved budget covers the fiscal period from 1 April 2024 to 31 March 2025 and is for ECSECC only.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

1.15 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. For ECSECC management is considered to be Senior Management reporting directly to the Chief Executive Officer. Management includes persons acting in the positions of Senior Management. Remuneration for the period is disclosed as the full months remuneration for the period of acting and is not pro-rated daily.

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

1.15 Related parties (continued)

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

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

1.16 Fruitless and wasteful expenditure

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

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

1.17 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.

The nature of activities within ECSECC do not meet the definition of reportable Segments in terms of GRAP 18 and as such do not allow for meaningful reporting in terms of this standard.

1.18 Events after reporting date

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

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

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

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

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Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:		Effective date: Years beginning on or after	Expected impact:
GRAP 1 As amended:	Presentation on Financial Statements	No effective date	Unlikely there will be a material impact
GRAP 104:	Financial Instruments - revised	1 April 2025	Impact is currently being assessed
Amendments:	Improvements to Standards of GRAP	No effective date	Unlikely there will be a material impact
GRAP 103:	Heritage Assets	No effective date	Not applicable
GRAP 105:	Transfer of Functions Between Entities Under Common Control	No effective date	Unlikely there will be a material impact
GRAP 106:	Transfer of Functions Between Entities Not Under Common Control	No effective date	Unlikely there will be a material impact
GRAP 107:	Mergers	No effective date	Unlikely there will be a material impact
IGRAP 22:	Foreign Currency Transactions and Advance Consideration	1 April 2025	Unlikely there will be a material impact

Figures in Rand	2025	2024

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,908	5,000
Bank balances	6,185,085	1,824,357
Short-term deposits	1,182,619	10,788,757
	7,370,612	**12,618,114**

Cash and cash equivalents includes the following 3rd party funds:

3rd Party funds	-	3,080,140

These are funds received in terms of Service Level Agreements entered into with 3rd parties for the delivery of services which is in progress at year end. These funds are included in the cash and cash equivalents balance at year end but are to be rolled over and utilized in a subsequent financial year to complete the agreed project. There are no services outstanding to third parties for the 2024/25 financial year.

4. Prepayments

Current		
Insurance	84,773	42,382
Rental	324,060	305,717
Security	-	1,185
Subscriptions and license fees	1,017,761	2,271,637
Telephone	-	10,916
	1,426,594	2,631,837
Non-current		
Subscriptions and license fees	330,133	41,883
Non-current Prepayments	330,133	41,883
Current Prepayments	1,426,594	2,631,837
	1,756,727	**2,673,720**

5. Receivables from exchange transactions

Employee costs receivable	24,217	-
Receivables from services rendered	838,525	248,431
Insurance receivable	-	24,329
Dividend receivable	7,650	6,877
	870,392	**279,637**

The amount of R7 650 (2024: R 6 877) receivable from Sanlam Ltd relates to dividends receivable on shares held by ECSECC by virtue of the Sanlam demutualization. (Refer to note 9).

6. Rental deposit

Current asset	502,878	480,930

The deposit amounting to R 330 659 was paid in April 2015 to the lessor as per the requirements of the office accommodation lease agreement. The deposit including interest due amounts to R 502 878 (2024: R 480 930). The original lease contract expired on 30 November 2024. The lease has been extended for 8 months.

Figures in Rand	2025	2024

7. Property, plant and equipment

	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fittings	2,329,396	(1,461,618)	867,778	2,322,541	(1,385,078)	937,463
Motor vehicles	187,898	(142,297)	45,601	187,898	(142,297)	45,601
Office equipment	1,980,652	(1,287,700)	692,952	1,886,434	(1,081,382)	805,052
Computer equipment	11,166,058	(7,022,734)	4,143,324	11,524,744	(6,241,154)	5,283,590
Leasehold improvements	344,109	(344,109)	-	344,109	(312,365)	31,744
Total	**16,008,113**	**(10,258,458)**	**5,749,655**	**16,265,726**	**(9,162,276)**	**7,103,450**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	937,463	25,305	(2,062)	(92,928)	867,778
Motor vehicles	45,601	-	-	-	45,601
Office equipment	805,052	106,293	(11,708)	(206,685)	692,952
Computer equipment	5,283,590	65,118	(12,118)	(1,193,266)	4,143,324
Leasehold improvements	31,744	-	-	(31,744)	-
	7,103,450	**196,716**	**(25,888)**	**(1,524,623)**	**5,749,655**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	969,203	66,815	-	(98,555)	937,463
Motor vehicles	56,159	-	-	(10,558)	45,601
Office equipment	658,903	422,418	-	(276,269)	805,052
Computer equipment	5,874,117	722,944	(9,475)	(1,303,996)	5,283,590
Leasehold improvements	172,254	-	-	(140,510)	31,744
	7,730,636	**1,212,177**	**(9,475)**	**(1,829,888)**	**7,103,450**

Pledged as security

ECSECC has not pledged any of its property, plant and equipment as security and there are no restrictions on title.

Assets subject to finance lease (Net carrying amount)

	2025	2024
Office equipment	-	88,461

Compensation received for losses on property, plant and equipment – included in operating profit.

	2025	2024
Furniture and fixtures	8,073	-
Office equipment	15,029	-
Computer equipment	-	24,330
	23,102	**24,330**

Figures in Rand	2025	2024

7. Property, plant and equipment (continued)

Other information

Depreciation included as part of Operating Expenses - note 16		
Depreciation	1,524,623	1,829,888

Property, plant and equipment fully depreciated and still in use (Gross carrying amount)		
Computer Equipment	342,251	342,251
Furniture and Fittings	-	4,345
Office equipment	509,816	-
Leasehold improvements	344,109	-
	1,196,176	**346,596**

Property, plant and equipment additions reconciled to the Cash Flow Statement		
Additions	196,716	1,212,177
Non cash asset - warrantee claim	(65,118)	-
	131,598	**1,212,177**

Property, plant and equipment that is fully depreciated is planned to be replaced in the next financial year R1 196 176 (2024: R346 596).

The Motor vehicle is currently carried at its residual value as is also planned to be replaced in the next financial year.

8. Intangible assets

	2025			2024		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	9,857,621	-	9,857,621	9,248,351	-	9,248,351

Reconciliation of intangible assets - 2025

	Opening balance	**Additions**	**Total**
Computer software	9,248,351	609,270	9,857,621

Reconciliation of intangible assets - 2024

	Opening balance	**Additions**	**Total**
Computer software	5,226,041	4,022,310	9,248,351

Pledged as security

ECSECC has not pledged any of its intangible assets as security and there are no restrictions on title.

Figures in Rand	2025	2024

8. Intangible assets (continued)

Other information

Intangible assets with indefinite lives:

Computer software	9,857,621	9,248,351

The useful life of computer software has been assessed as being indefinite.
It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the entity.

In determining the indefinite useful life assets, consideration was given to the expected usage of the asset by the entity; product life cycle; obsolescence; market stability and the level of maintenance expenditure required to obtain the expected future economic benefits. Some of the computer software packages have been in existence in excess of 10 years. A licence fee is payable annually for the latest updates to the package to ensure it maintains the expected future economic benefits to the entity as well as for continued use by the entity.

Factors that would be considered when assessing indefinite useful life assets for impairment include:

- The intention of the entity to continue using the software package and renew the licence.
- The development of a more advanced software package with the intention of management to change the current software package within the available budget.
- Technological obsolescence of the software package.

9. Other financial assets

Designated at fair value		
Listed shares	177,830	149,119

2 149 shares are held in Sanlam Ltd and are valued at fair value based on the share price traded in an active market.

Non-current assets		
Designated at fair value	177,830	149,119

Financial assets at fair value

Fair values of financial assets measured or disclosed at fair value

Sanlam Ltd	177,830	149,119

Sanlam demutualized in 1998 and all policy holders were issued free shares. These shares were issued to ECSECC by virtue of the policies held and were not purchased or applied for.

The shares are traded in an active market and the fair value was determined using the share price at 31 March.

Figures in Rand	2025	2024

10. Funds to be surrendered

Refunds arising from funds to be surrendered	4,676,308	9,576,486

The surrender relates to the possible repayment of funds to the Revenue Fund. The surrender is determined by Provincial Treasury and communicated to the entity before the end of the next financial year.

Balance at the beginning of the year	9,576,486	13,389,485
Surrendered	(5,212,000)	(6,124,000)
Prior year under (over) provision	(4,364,486)	(7,265,485)
Additions	4,676,308	9,576,486
	4,676,308	**9,576,486**

Movement recognised in revenue (refer to note 15)		
Opening balance	9,576,486	13,389,485
Closing balance	(4,676,308)	(9,576,486)
Funds surrendered	(5,212,000)	(6,124,000)
	(311,822)	**(2,311,001)**

Funds to be surrendered - reconciliation		
Cash and cash equivalents (note 3)	7,370,612	12,618,114
Less: Trade and other payables (note 11)	(1,353,171)	(2,886,657)
Less: Employee saving accrual (note 11)	(150,437)	(154,971)
Less: Other employee related accruals (note 11)	(159,535)	-
Less: Commitments budgeted for in the current financial year (note 23)	(1,031,161)	-
	4,676,308	**9,576,486**

In terms of section 53 of PFMA, ECSECC as a Public Entity may not accumulate surpluses unless the prior written approval of the Provincial Treasury has been obtained. The funds to be surrendered calculation is made in line with the relevant Provincial Treasury Instruction note.

Treasury Instruction 3 of 2013/14 issued by the Eastern Cape Provincial Treasury was used to determine the amount to be recognised for surrender up to and including the year 2023 24. This Instruction Note only allows for the deduction of certain payables and accruals from the bank balance which did not include the amount applied for roll over of commitments and 3rd party funds reflected below.

The Eastern Cape Provincial Treasury has repealed the above instruction note applicable for the previous year with effect from the 2024 25 financial year and replaced it with Instruction Note No. 6 of 2024/25. In terms of this instruction note, the estimate of the surplus funds (funds to be surrendered) must be calculated with reference to the amount that the entity will request to retain as calculated above which leaves an amount of R4 676 308 available for surrender. This change has been accounted for as a prospective change in accounting estimate.

The timing of payment is dependent on when the Treasury process is finalized and communication received - normally by November of the following year. The funds to be surrendered value includes 3rd party funds and funds that have been committed. A roll over request for these funds has been submitted to Eastern Cape Provincial Treasury each year. The following items were included in the roll over request for 2023 24:

Funds to be rolled over

3rd party funds to be utilized in subsequent years (refer note 3)	-	3,080,140
Commitments budgeted for in the current financial year	-	1,283,827
	-	**4,363,967**

Figures in Rand	2025	2024

11. Payables from exchange transactions

Trade and other payables	1,353,171	2,886,657
Income received in advance - contract in process	-	1,264,967
Employee related payables and accruals:		
Accrued leave pay	2,937,713	2,496,262
Employee saving accrual	150,437	154,971
Other employee related accruals	159,535	-
	4,600,856	**6,802,857**

12. Finance lease obligation

Minimum lease payments due		
- within one year	-	122,193
	-	122,193
less: future finance charges	-	(5,558)
Present value of minimum lease payments	**-**	**116,635**

Present value of minimum lease payments due		
- within one year	-	116,635

Non-current liabilities	-	-
Current liabilities	-	116,635
	-	**116,635**

The average lease term was 3 years, and the average effective borrowing rate was 1.18% (2024: 1.18%).

There is no contingent rental payable on the leasing arrangements.

No restrictions are imposed by the lease arrangements.

13. Operating lease liability

Current liabilities	-	267,200

The entity has entered into an operating lease for business premises. Ownership of the leased property remains with the lessor throughout the lease term and upon the expiration of the lease agreement. Refer to note 23.

Figures in Rand	2025	2024

14. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	846,175	846,175
Cash and cash equivalents	-	7,370,612	7,370,612
Rental deposit	-	502,878	502,878
Other financial assets	177,830	-	177,830
	177,830	**8,719,665**	**8,897,495**

Financial liabilities

	At amortised cost	Total
Trade and other payables	1,353,171	1,353,171

2024

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	279,637	279,637
Cash and cash equivalents	-	12,618,114	12,618,114
Rental deposit	-	480,930	480,930
Other financial assets	149,119	-	149,119
	149,119	**13,378,681**	**13,527,800**

Financial liabilities

	At amortised cost	Total
Trade and other payables	2,886,657	2,886,657
Finance lease obligation	116,635	116,635
	3,003,292	**3,003,292**

Figures in Rand	2025	2024

15. Revenue

15.1 Revenue from non exchange transactions

Transfers: Office of The Premier	85,016,178	79,108,999

Office of The Premier

In terms of the Service Level Agreement between ECSECC and OTP, this grant is used to fund the core functions of the organisation.

Grants received	85,328,000	81,420,000
Funds to be surrendered (refer to note 10)	(311,822)	(2,311,001)
	85,016,178	**79,108,999**

15.2 Revenue from exchange transactions: Rendering of services

Eastern Cape Development Corporation	1,200,000	1,200,000
Eastern Cape Rural Development Agency	-	487,450
Human Science Research Council	365,497	336,623
Ntabankulu Local Municipality	35,294	164,706
Nyandeni Local Municipality	798,525	1,046,012
	2,399,316	**3,234,791**

ECSECC has entered into Service Level Agreements for the rendering of services with these institutions. The deliverables and timeframe's have been agreed upon.

Total Revenue	**87,415,494**	**82,343,790**

16. Operating expenses

Operating (deficit) surplus for the year is stated after accounting for the following:

Employee related costs (note 18)	66,843,907	60,712,026
General expenses (note 19)	19,990,752	19,151,087
Depreciation	1,524,623	1,829,888
	88,359,282	**81,693,001**

Profit (loss) on disposal of assets consists of the following:

Compensation from 3rd parties (including insurance payout's)	23,102	24,330
Non-cash warrantee claims replacements	65,118	-
Book value of assets disposed and compensated by 3rd parties (lost or damaged)	(11,765)	(9,475)
Book value of other assets disposed (donated or scrapped)	(14,123)	-
	62,332	**14,855**

Figures in Rand	2025	2024

17. Investment revenue

Dividend revenue		
Listed financial assets - Local	7,650	6,877
Interest revenue		
Interest earned on bank balances	2,047,112	2,342,626
Interest on rental deposit	21,948	22,039
	2,069,060	**2,364,665**
	2,076,710	**2,371,542**

18. Employee related costs

Basic	56,171,692	52,707,131
Performance bonus	7,997,961	5,553,498
UIF	267,180	262,893
Group life insurance	1,515,289	1,379,887
Workman's compensation	141,832	46,981
Relocation costs	64,030	155,065
Staff training	685,923	606,571
	66,843,907	**60,712,026**

19. General expenses

Advertising	18,429	39,514
Auditors' remuneration	772,878	731,626
Bank charges	15,673	13,211
Board fees	954,279	1,058,825
Cleaning	161,239	119,292
Computer expenses	11,137	20,880
Consulting and professional fees	1,781,519	772,611
Hire of office equipment	93,817	53,170
Insurance	450,685	513,179
Internal audit fees	376,351	371,736
Lease rentals on operating lease	3,474,777	3,267,805
Other expenses	77,523	59,842
Postage and courier	1,206	2,270
Printing and stationery	83,876	73,853
Publications	586,450	1,329,629
Repairs and maintenance	24,033	18,977
Security	490,566	489,122
Subscriptions and license fees	5,017,225	3,971,795
Telephone	790,059	765,363
Travel, workshop and accommodation	4,222,436	4,817,754
Utilities	586,594	660,633
	19,990,752	**19,151,087**

20. Auditors' remuneration

Fees	772,878	731,626

21. Finance costs

Finance lease	5,557	30,471

Figures in Rand	2025	2024

22. Cash (used in) generated from operations

Surplus	1,218,408	3,034,695
Adjustments for:		
Depreciation	1,524,623	1,829,888
(Profit) loss on sale of assets and liabilities	(62,332)	(14,855)
Fair value adjustments	(28,711)	(27,980)
Movements in operating lease assets and accruals	(267,200)	(262,362)
Changes in working capital:		
Receivables from exchange transactions	(590,755)	(26,189)
Prepayments	916,993	(348,615)
Rental deposit	(21,948)	(22,038)
Payables from exchange transactions	(2,202,001)	2,856,288
Funds to be surrendered	(4,900,178)	(3,812,999)
	(4,413,101)	**3,205,833**

23. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	1,296,240	2,445,736
Lease rental on a straight line basis (note 19)	3,474,777	3,267,805

Operating lease payments represent rentals payable by the entity for its office accommodation. Leases are negotiated for an average term of five years. No contingent rent is payable. Rental escalates by 6.5% annually on 1 December each year. From 1 December 2022 the lessor agreed to change the rental escalation rate to 6% for the remaining period of the lease. The original lease expired on 30 November 2024. The lease has been extended for 8 months.

Figures in Rand	2025	2024

23. Commitments (continued)

Authorised capital expenditure

Already contracted for but not provided for - budgeted for in the current financial year

	2025	2024
• Property, plant and equipment - office equipment	-	86,465
• Property, plant and equipment - furniture and fittings	-	7,286
• Intangible assets - computer software	-	736,698
	-	**830,449**

Already contracted for but not provided for - budgeted for in subsequent financial years

	2025	2024
• Property, plant and equipment - furniture and fittings	3,324	-

Total capital commitments

	2025	2024
Already contracted for but not provided for - budgeted for in the current financial year	-	830,449
Already contracted for but not provided for - budgeted for in subsequent financial years	3,324	-
	3,324	**830,449**

Authorised operational expenditure

Already contracted for but not provided for - budgeted for in the current financial year

	2025	2024
• Advertising	3,749	5,083
• Consulting and professional fees	853,076	152,184
• Insurance	-	11,000
• Internal audit	27,198	-
• Publications	147,138	143,405
• Subscriptions and license fees	-	476
• Stationery	-	52,930
• Training	-	88,300
	1,031,161	**453,378**

Already contracted for but not provided for - budgeted for in subsequent financial years

	2025	2024
• Internal audit	763,572	1,093,244
• Consulting and professional fees	119,087	-
• Security	179,195	484,510
• Subscriptions and license fees	2,052,618	2,099,520
• Travel and workshop	44,037	-
• Telephone	1,109,509	1,848,150
	4,268,018	**5,525,424**

Total operational commitments

	2025	2024
Already contracted for but not provided for - budgeted for in the current financial year	1,031,161	453,378
Already contracted for but not provided for - budgeted for in subsequent financial years	4,268,018	5,525,424
	5,299,179	**5,978,802**

Total commitments

Total commitments

	2025	2024
Committed capital expenditure	3,324	830,449
Committed operational expenditure	5,299,179	5,978,802
	5,302,503	**6,809,251**

Figures in Rand	2025	2024

24. Related parties

Relationships

Prescribed officers and members of key management	Refer to note 25
Government department - Controlling entity	Eastern Cape Office of the Premier - also refer to note 10 for Funds to be surrendered
Provincial Public Entity within the Provincial sphere of government	Eastern Cape Industrial Development Zone (ELIDZ)
Provincial Public Entity within the Provincial sphere of government	Eastern Cape Development Corporation (ECDC)
Provincial Public Entity within the Provincial sphere of government	Eastern Cape Rural Development Agency (ECRDA)

Related party balances

	2025	2024
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Eastern Cape Development Corporation	-	(1,200,000)
Eastern Cape Rural Development Agency	-	243,725

Related party transactions

	2025	2024
Government Grant		
Eastern Cape Office of the Premier	85,328,000	81,420,000
Eastern Cape Office of the Premier - surrendered funds	(5,212,000)	(6,124,000)
Revenue from exchange transactions		
Eastern Cape Development Corporation	1,200,000	1,200,000
Eastern Cape Rural Development Agency	-	487,450
Compensation of employees		
Eastern Cape Development Corporation - Mr Mhlaba	2,092,812	-

During the year ECSECC entered into procurement transactions with ELIDZ at arm's length. These transactions included services for Cloud hosting and provision of a disaster recovery site at a monthly amount of R16 866 (2024: R16 866). The terms and conditions of the agreement are within what is reasonable expected to any customer and are within the normal operating parameters of the ELIDZ.

During the prior year ECSECC entered into a Service Level Agreement with ECRDA to assist with ITC Governance related matters.

During the prior year ECSECC entered into a Service Level Agreement with ECDC to partner with planning support for Economic Development, Trade and Investment Promotion at 3 identified Local Municipalities.

Mr B. Mhlaba was then seconded to the Eastern Cape Development Corporation of the Premier from 1 April 2024 to 31 March 2025.

Figures in Rand	2025	2024

25. Member's and prescribed officer's emoluments

Executive

2025

	Basic salary	Allowances/ other short term benefits	Performance bonus	Total
Chief Executive Officer: Mr L. Mosana	2,029,182	129,870	416,292	2,575,344
Chief Financial Officer: Ms K Gwazela	1,720,359	93,532	352,936	2,166,827
	3,749,541	**223,402**	**769,228**	**4,742,171**

2024

	Basic salary	Allowances/ other short term benefits	Performance bonus	Total
Chief Executive Officer: Mr L. Mosana	1,936,243	109,713	327,252	2,373,208
Chief Financial Officer: Ms K. Gwazela	1,641,564	89,138	277,447	2,008,149
	3,577,807	**198,851**	**604,699**	**4,381,357**

Service contracts

The executive directors are subject to written employment agreements. The employment agreements regulate duties, remuneration, allowances, restraints, leave and notice periods of these executives. Five year service contracts are issued which are extendable in five year intervals.

Service contract: Chief Executive Officer: L. Mosana
- Start date: 01 April 2018
- End date : 31 March 2028.

Service contract: Chief Financial Officer: K. Gwazela
- Start date: 17 May 2021
- End date: 16 May 2026.

Figures in Rand	2025	2024

25. Member's and prescribed officer's emoluments (continued)

Non-executive

2025		Members' fees	Reimbursive travel	Total
Ms T. Buthelezi - Chairperson	Re-appointed 31 August 2024	-	-	-
Mr Z. Tini - Deputy Chairperson	Re-appointed 31 August 2024	115,300	802	116,102
Prof M. Simatele	Re-appointed 31 August 2024	89,500	-	89,500
Mr S. Gqegqe	Re-appointed 31 August 2024	77,400	1,023	78,423
Mr L. Jack	Re-appointed 31 August 2024	38,700	-	38,700
Mr K. Jacobs	Re-appointed 31 August 2024	77,400	1,325	78,725
Mr M. Maleki	Re-appointed 31 August 2024	60,200	71	60,271
Ms L. Maurice	Re-appointed 31 August 2024	77,400	-	77,400
Mr H. Maxhengwana	Re-appointed 31 August 2024	34,400	-	34,400
Mr D. Xotyeni	Re-appointed 31 August 2024	77,400	1,062	78,462
Mr Z. Ndlela	Re-appointed 31 August 2024 and resigned November 2024	21,500	697	22,197
Ms N. Faltein	Appointed 31 August 2024	30,100	-	30,100
Ms N. Mzati	Appointed 31 August 2024	43,000	-	43,000
Ns N. Masango	Appointed 28 November 2024	4,300	-	4,300
Dr N. Nombekela-Madiba	Re-appointed 31 August 2024	-	-	-
		746,600	**4,980**	**751,580**

2024		Members' fees	Reimbursive travel	Total
Ms T. Buthelezi - Chairperson	Appointed 31 August 2023	-	-	-
Mr M. Sogoni - Chairperson	Resigned 31 August 2023	-	-	-
Mr Z. Tini - Deputy Chairperson	Re-appointed 31 August 2023	116,700	-	116,700
Prof M. Simatele	Re-appointed 31 August 2023	69,500	-	69,500
Mr S. Gqegqe	Re-appointed 31 August 2023	111,800	-	111,800
Mr L. Jack	Re-appointed 31 August 2023	47,300	-	47,300
Mr K. Jacobs	Re-appointed 31 August 2023	85,600	2,092	87,692
Mr T. Kunene	Deceased April 2023	-	-	-
Mr M. Maleki	Re-appointed 31 August 2023	60,200	-	60,200
Ms L. Maurice	Re-appointed 31 August 2023	98,900	1,476	100,376
Mr H. Maxhengwana	Re-appointed 31 August 2023	30,100	-	30,100
Mr D. Xotyeni	Re-appointed 31 August 2023	90,300	1,703	92,003
Ms D. van Huyssteens	Resigned 31 August 2023	4,300	-	4,300
Mr Z. Ndlela	Appointed 31 August 2023	43,000	693	43,693
Dr N. Nombekela-Madiba	Re-appointed 31 August 2023	-	-	-
Mr P. Ndendela	Resigned 31 August 2023	48,700	19,751	68,451
		806,400	**25,715**	**832,115**

Ms T. Buthelezi and Dr N. Nombekela-Madiba are Board representatives as assigned by the controlling department, Eastern Cape Office of the Premier, therefore are not remunerated by ECSECC for the Board meetings. In 2023/24 this included Mr M. Sogoni.

Figures in Rand	2025	2024

25. Member's and prescribed officer's emoluments (continued)

Audit, Risk and ICT Committee

2025

		Members' fees	Reimbursive travel	Total
		-		
Ms D. Page - Chairperson	Appointed 25 August 2022	39,300	-	39,300
Mr B. Bothma	Appointed 25 August 2022	38,700	-	38,700
Ms W. Dukuza	Appointed 25 August 2022	34,400	-	34,400
Ms B. Mbana-Gantsho	Appointed 25 August 2022	51,600	-	51,600
Mr M. Sikhosana	Appointed 25 August 2022	38,700	-	38,700
		202,700	**-**	**202,700**

2024

		Members' fees	Reimbursive travel	Total
Ms D. Page - Chairperson	Appointed 25 August 2022	52,200	-	52,200
Mr B. Bothma	Appointed 25 August 2022	38,700	-	38,700
Ms W. Dukuza	Appointed 25 August 2022	34,400	-	34,400
Ms B. Mbana-Gantsho	Appointed 25 August 2022	60,200	2,511	62,711
Mr M. Sikhosana	Appointed 25 August 2022	38,700	-	38,700
		224,200	**2,511**	**226,711**

Figures in Rand

25. Member's and prescribed officer's emoluments (continued)

2025	Position	Service period	Basic salary	Other short term benefits/allowances	Bonus	Total
Ms A. Tinta	Chief Operations Officer	1 April 2024 –31 March 2025	1,624,527	113,433	-	1,737,960
Ms N. Shenxane	Human Resources Manager	1 April 2024 – 31 March 2025	1,522,797	77,612	302,606	1,903,015
Mr T. Qholosha	Economic Governance and Human Resource Development Programme Manager	1 April 2024 – 31 March 2025	1,571,863	126,606	262,477	1,960,946
Mr C. Motsilili	Governance and Planning Support Programme Manager	1 April 2024 – 31 March 2025	1,571,863	146,123	262,477	1,980,463
Mr V. Dayile	ECAC Programme Manager	1 April 2024 – 9 August 2024	647,141	32,356	259,350	938,847
Prof P. Dana	Acting ECAC Programme Manager	12 August 2024- 31 March 2025	855,260	143,782	214,223	1,213,265
Mr B. Mhlaba	KPMO Programme Manager Seconded to ECDC	1 April 2024 – 31 March 2025 1 April 2024 – 31 March 2025	1,730,178	73,721	288,913	2,092,812
Dr S. Liebenburg	Strategic Research and Innovation Programme Manager Acting KPMO Programme Manager	1 April 2024 – 31 March 2025 1 May 2024 - 31 March 2025	1,546,925	215,203	-	1,762,128
			11,070,554	**928,836**	**1,590,046**	**13,589,436**

26. Member's and prescribed officer's emoluments (continued)

2024	Position	Service period	Basic salary	Other short term benefits/allowances	Bonus	Total
Ms A. Tinta	Chief Operations Officer	5 February 2024 – 31 March 2024	242,438	17,307	-	259,745
Ms Z. Silo	Chief Operations Officer	1 April 2023 - 19 May 2023	225,270	122,075	-	347,345
Ms N. Shenxane	Human Resources Manager	1 April 2023 - 31 March 2024	1,407,470	143,625	222,474	1,773,569
Mr T. Qholosha	Economic Governance and Human Resource Development Programme Manager	1 April 2023 - 31 March 2024	1,499,870	94,553	197,166	1,791,589
Mr C. Motsilili	Governance and Planning Support Programme Manager Acting Chief Operations Officer	1 April 2023 - 31 March 2024 May 2023 - 4 February 2024	1,499,870	225,778	197,166	1,922,814
Mr V. Dayile	ECAC Programme Manager	1 April 2023 - 31 March 2024	1,482,002	76,938	194,817	1,753,757
Mr B. Mhlaba	KPMO Programme Manager	1 April 2023 - 31 March 2024	1,650,933	119,955	155,017	1,925,905
Dr S. Liebenburg	Strategic Research and Innovation Programme Manager	1 December 2023 - 31 March 2024	492,025	18,573	-	510,598
			8,499,878	**818,804**	**966,640**	**10,285,322**

Key management personnel are subject to written employment agreements. The employment agreements regulate duties, remuneration, allowances, restraints, leave and notice periods of these executives. None of these service contracts exceed 5 years.

Summary

Executive Directors	4,742,171	4,381,357
Key Management Personnel	13,589,436	10,285,322
Other Employees and related costs	48,512,300	46,045,347
	66,843,907	**60,712,026**

27. Risk management

Capital risk management

The entity is solely dependent on the grant from the Eastern Cape Office of the Premier.

Liquidity risk

The entity’s risk to liquidity is a result of the funds available to cover future commitments. Cash flow forecasts are prepared and monitored. The entity manages liquidity risk through an ongoing review of future commitments against allocated future budgets.

A maturity analysis of the financial liabilities reflects the contractual maturities of financial liabilities due within one year and include Trade and other payables as disclosed in note 11 and the maturity of the Finance lease obligation as disclosed in note 12.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing.

Receivables from exchange transactions relate to dividends receivable from the Sanlam Ltd. Management evaluated the credit risk relating to debtors on an ongoing basis. The credit risk on these is rated as low.

The entity's maximum exposure to credit risk is equal to the cost amount of the financial asset at balance sheet date disclosed in note 14.

Interest rate risk

As the entity has no significant interest-bearing assets, other than cash and cash equivalents, the entity’s income and operating cash flows are substantially independent of changes in market interest rates.

27. Fruitless and wasteful expenditure

	2025	2024
Opening balance as previously reported	400	2,250
Fruitless and wasteful expenditure identified	3,060	5,320
Recovered - for the prior year	(400)	(2,250)
Recovered - for the current year	-	(2,520)
Written off - for the current year	-	(2,400)
Closing balance	**3,060**	**400**

Expenditure identified in the current year include those listed below:

	2025	2024
Travel, workshop and accommodation	3,060	7,570

2025
There were two instances identified: both were in relation to "no show" for accommodation booked. The committee concluded that the employees were negligent and the funds have been recovered subsequent to year end.

2024
There were eight instances identified: (1) One instance where the hired car was used for travel beyond the approved range - this was confirmed to be fruitless and wasteful and was recovered during the year. (2) four traffic fines incurred, 3 were recovered at year end and 1 was recovered subsequent to year end; (3) one instances where there was a cancellation of a booked trip due to the employee’s negligence which has been recovered and (4) two instances where accommodation was charged where an employee was not able to attend due to wellness related matters - these were written off at year end

Figures in Rand	2025	2024

28. Fruitless and wasteful expenditure (continued)

Amounts recoverable/recovered

After the committee investigations, the Chief Executive Officer adopted the committee recommendations to recover an amount of R3 060 (2024: R5 170) from the officials as it was proven without reasonable doubt that the official was negligent.

	2025	2024
Travel, accommodation and workshop	3,060	5,170

29. Change in estimate

Property, plant and equipment

The useful life of the certain classes of assets was revised during the year and extended. In the current period management has revised their estimate to reflect a remaining useful life as dependant on the asset condition. The effect of this revision has decreased the depreciation charges per year for the current and subsequent years by R12 281 for Office equipment; R7 106 for Furniture and fittings and R158 805 for computer equipment.

Funds to be surrendered

Treasury Instruction 3 of 2013/14 issued by the Eastern Cape Provincial Treasury was used for 2023 34 and prior financial years to determine the amount to be recognised for surrender. This Instruction Note only allowed for the deduction of certain payables and accruals from the bank balance which is not an accurate reflection of the amount available for surrender.

The Eastern Cape Provincial Treasury has repealed the above instruction note and replaced it with Instruction Note No. 6 of 2024/25 from the 2024 25 financial year. In terms of this instruction note, the estimate of the surplus funds (funds to be surrendered) must be calculated with reference to the amount that the entity will request to retain (roll over). This change has been accounted for as a change in accounting estimate.

The impact of this on the current year has resulted in Funds to be Surrendered provision to be lower and Revenue to be higher by R1031 161. The effect on future periods is not possible to estimate.

30. Contingencies

In terms of ECSECC's Performance Management and Development System policy the payment of performance bonuses is subject to the availability of budget as well as approval at the discretion of the Board of Directors. There is no employee entitlement to a performance bonus under policy or contract. The approval by the Board of Directors has not been made at 31 March. As such ECSECC has a possible obligation for the payment of 2024/25 performance bonuses which will be confirmed by the approval by the Board of Directors.
The amount is estimated at R7 367 685 (2024: R5 376 842). The actual amount paid for bonuses for the 2024 financial year was R7 997 961.

31. Events after the reporting date

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

32. B-BBEE Performance

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

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Rendering of services		2,399,316	3,234,791
Interest received - investment	17	2,069,060	2,364,665
Gain on disposal of assets and liabilities		62,332	14,855
Fair value adjustments		28,711	27,980
Dividends received	17	7,650	6,877
Total revenue from exchange transactions		**4,567,069**	**5,649,168**
Revenue from non-exchange transactions			
Transfer revenue			
Government grant	15	85,016,178	79,108,999
Total revenue		**89,583,247**	**84,758,167**
Expenditure			
Employee related costs	18	(66,843,907)	(60,712,026)
Depreciation		(1,524,623)	(1,829,888)
Finance costs	21	(5,557)	(30,471)
General Expenses	19	(19,990,752)	(19,151,087)
Total expenditure		**(88,364,839)**	**(81,723,472)**
Surplus for the year		**1,218,408**	**3,034,695**

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