

ANNUAL REPORT



2025-26





TABLE OF CONTENTS

PART

A

GENERAL INFORMATION

PAGE **08**

1.	SANAS General Information	08
2.	Abbreviations and Acronyms	09 - 10
3.	Foreword by the Minister	12 - 14
4.	Statement by the Deputy Minister	16 - 17
5.	Foreword by the Chairperson	18 - 20
6.	Acting Chief Executive Officer's Overview	22 - 27
7.	Statement of Responsibility and Confirmation of the Accuracy of the Annual Report	28
8.	Strategic Overview	29
9.	Legislative Mandate	30
10.	Organisational Structure	31 - 32

PART

B

PERFORMANCE INFORMATION

PAGE **35**

1.	External Auditors' Report on Predetermined Objectives	36
2.	Overview of SANAS Performance	36
3.	Achievement of Institutional Impacts and Outcomes	39 - 42
4.	Performance Information by Programme	42
4.1	Programme 1: Administration	42 - 46
4.2	Programme 2: Corporate Services	46 - 55
4.3	Programme 3: Strategy and Development	55 - 60
4.4	Programme 4: Accreditation Provision	60 - 80

South African National Accreditation System

PART

C

GOVERNANCE INFORMATION

PAGE **83**

1.	Introduction	84
2.	Portfolio Committee	84
3.	Executive Authority	84
4.	Roles and responsibilities of the Board	84
5.	Board Charter	85
6.	Composition of the Board	85
7.	Meetings attended by Board Members	86
8.	Committees	88
9.	Risk Management	91
10.	Internal Control	91
11.	Internal Audit	92
11.1	Strategic Role and Purpose of Internal Audit	92
11.2	Strategic Positioning and Independence	92
12.	Compliance with Laws and Regulations	92
13.	Fraud And Corruption	93
14.	Minimising Conflict of Interest	93
15.	Code of Conduct	94
16.	Health, Safety and Environmental Issues	94
17.	Company Secretary	94
18.	Corporate Social Investment Overview	94
19.	Audit Committee Report	95
20.	Broad-Based Black Economic Empowerment (B-BBEE)	96

PART

D

HUMAN RESOURCE MANAGEMENT INFORMATION

PAGE **98**

1.	Introduction	102
2.	Human Capital Development and Organisational Effectiveness	102
3.	Employee Performance Management Framework	102
4.	Employee Wellness Programmes (EWP)	103
5.	Policy Development	104
6.	Resourcing Challenges	104
7.	Human Resources: Future and Strategic Outlook	104
8.	Capability Development and Competency Management	105
9.	Internships	105
10.	Human Resources Statistics	106 - 109

PART

E

PFMA COMPLIANCE REPORT

PAGE **111**

1.	Irregular Expenditure	112
2.	Fruitless and Wasteful Expenditure	114
3.	Information on Late and/or Non-Payment of Suppliers	115
4.	Information on Supply Chain Management	116

PART

F

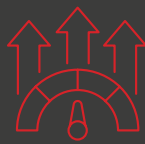
ANNUAL FINANCIAL INFORMATION

PAGE **119**





PART
A



GENERAL INFORMATION

1.	SANAS General Information	08
2.	Abbreviations and Acronyms	09 - 10
3.	Foreword by the Minister	12 - 14
4.	Statement by the Deputy Minister	16 - 17
5.	Foreword by the Chairperson	18 - 20
6.	Acting Chief Executive Officer's Overview	22 - 27
7.	Statement of Responsibility and Confirmation of the Accuracy of the Annual Report	28
8.	Strategic Overview	29
9.	Legislative Mandate	30
10.	Organisational Structure	31 - 32

1. SANAS

GENERAL INFORMATION

Registered Name Of The Public Entity	South African National Accreditation System (SANAS)
Registration Numbers And/Or Other Relevant Numbers	Not applicable
Registered Office Address	Libertas Office Park Corner of Libertas Avenue and Highway Street Equestria, Pretoria 0184
Contact Telephone Numbers	+27 12 740 8400
E-Mail Address	info@sanas.co.za
Website Address	www.sanas.co.za
External Auditor's Information	Lunika Chartered Accountants and Auditors Inc. Unit 5, Lonehill Office Park Sandton 2068
Banker's Information	First National Bank, Shop 39, Hillcrest Boulevard, Lynnwood Road, Hillcrest, South Africa, 0083
Company Secretary	Mr Dawood Petersen Company Secretary

2. ABBREVIATIONS AND ACRONYMS

Acronym	Full Term
AfCFTA	African Continental Free Trade Area
AFRAC	African Accreditation Cooperation
AIA's	Approved Inspection Authorities
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BTS	Blood Transfusion Service
CABs	Conformity Assessment Bodies
CAF	Conformity Assessment Field
CBAM	Carbon Border Adjustment Mechanism
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Course Management System
COBIT	Control Objectives for Information and Related Technology
COTII	Council of Trade and Industry Institutions
CPI	Consumer Price Index
DALRRD	Department of Agriculture, Land Reform and Rural Development
dtic	Department of Trade, Industry and Competition
EGAC	Egyptian Accreditation Council
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
EVP	Employee Value Proposition
EWP	Employee Wellness Programmes
GCP	Good Clinical Practice
GHG	Greenhouse Gases
GLP	Good Laboratory Practice
GLOBAL ACI	Global Accreditation Cooperation Incorporated
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IAF	International Accreditation Forum
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organization for Standardization
IT	Information Technology
IVDs	In Vitro Diagnostics
KENAS	Kenya Accreditation Service
KT	Knowledge Transfer
KTD	Knowledge Transfer Department

South African National Accreditation System

Acronym	Full Term
LVUP	Laboratory Vessels Under Pressure
M&P Testing	Mechanical and Physical Testing
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MRAs	Mutual Recognition Arrangements
MTDP	Medium-term Development Plan
NDE	Non-Destructive Testing/Examination
NDP	National Development Plan
NHLS	National Health Laboratory Service
NiNAS	Nigeria National Accreditation System
NRCS	National Regulator for Compulsory Specifications
OECD	Organisation for Economic Cooperation and Development
OH	Occupational Hygiene
OSes	On-Site Evaluations
PAQI	Pan-African Quality Infrastructure
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PPPFA	Preferential Procurement Policy Framework Act
PTPs	Proficiency Testing Providers
QMS	Quality Management System
RMPs	Reference Material Producers
SABS TC	South African Bureau of Standards Technical Committee
SADCA	Southern African Development Community Cooperation in Accreditation
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANBI	South African National Biodiversity Institute
SANS	South African National Standards
SANParks	South African National Parks
SASQ	Southern African Society for Quality
SEDA	Small Enterprise Development Agency
SED	Supplier and Enterprise Development
SEDFA	Small Enterprise Development Financial Agency
SMEs	Small and Medium-sized Enterprises
SMMEs	Small, Medium and Micro Enterprises
SOA	Statement of Accreditation
SOAC	Système Ouest Africain d'Accréditation
STC	Sector Technical Committee
TBT	Technical Barriers to Trade
UGCAB	United Group of Conformity Assessment Bodies
WIL	Work Integrated Learning



3. FOREWORD BY **THE MINISTER**



—
Mr Parks Tau, MP
Minister of Trade, Industry
and Competition

I hereby table the Annual Report of the South African National Accreditation System (SANAS) for the 2025/26 financial year. The Report provides an account of the organisation's performance, governance, human resources and financial management during the year under review and reflects the important contribution that SANAS continues to make towards South Africa's economic and industrial development objectives.

During the 2025/26 financial year, the organisation delivered an exceptional level of performance, achieving all 18 of its planned Annual Performance Plan targets, resulting in overall performance of 100%, with eight targets overachieved. This achievement is significant not only from an organisational performance perspective, but also because of the wider economic impact of SANAS delivering effectively on its mandate. Every accreditation service delivered contributes towards strengthening confidence in the competence of the conformity assessment bodies upon which industry, regulators, exporters and consumers depend. Effective accreditation therefore strengthens the infrastructure necessary for enterprises to demonstrate the quality, safety and conformity of their products and services, compete more effectively and participate in domestic and international markets.

SANAS consequently has an important role in supporting Government's priorities of re-industrialisation, inclusive economic growth, localisation, export development and job creation. A credible and internationally recognised accreditation system enables South African manufacturers and other enterprises to demonstrate compliance with national and international standards, reduces unnecessary duplication of testing and certification, and assists in overcoming technical barriers to trade. This strengthens the competitiveness of domestic industries, supports access to regional and global value chains and creates an enabling environment within which enterprises can grow, invest and sustain employment.

Despite constrained economic growth during the reporting period, demand for SANAS services continued to increase. The organisation's customer base grew from 2 187 to 2 256 Conformity Assessment Bodies (CABs), while the number of CAB withdrawals declined significantly from 94 in 2024/25 to 59 in 2025/26. These trends demonstrate the growing relevance of accreditation within the South African economy and the increasing recognition by industry and regulators of conformity assessment as an important instrument for economic participation, regulatory assurance and market confidence.

Importantly, economic development must also be inclusive. During the year, SANAS pursued measures aimed at improving the affordability and accessibility of accreditation, including containing accreditation fee increases at more than one percentage point below CPI. This contributes towards reducing the cost burden associated with accreditation, particularly for SMMEs and emerging conformity assessment bodies. Enabling a broader and more diverse base of competent CABs to participate in the conformity assessment ecosystem can support transformation, enterprise development and the participation of smaller businesses in industrial supply chains and economic opportunities.

Notwithstanding this deliberate moderation of accreditation fee increases and the difficult economic environment, SANAS continued to demonstrate strong financial sustainability. During the reporting period, 82% of SANAS income was generated from its own activities, while only 18% was derived from the dtic grant. This level of self-generated income reflects the organisation's ability to sustain its operations while reducing reliance on the fiscus. In turn, this supports Government's broader fiscal objectives by allowing limited public resources to be directed towards other pressing national priorities.

SANAS also continued to support the sustainability of its supplier base through sound financial management practices. During 2025/26, the organisation paid its creditors within an average of 11.5 days. Timely payment is particularly important for smaller suppliers and SMMEs, for whom cash-flow constraints can materially affect business sustainability. In this way, SANAS contributes not only through its accreditation mandate, but also through responsible procurement and payment practices that support enterprise resilience and inclusive participation in the economy.

A further significant achievement during the year was SANAS obtaining approval through AFRAC for a main accreditation scope for Validation and Verification Bodies, together with a sub-scope relating to the measurement and verification of greenhouse gas emissions. This strengthens South Africa's capacity to support credible climate-related conformity assessment and enhances SANAS's contribution to the country's decarbonisation agenda, green industrialisation and transition towards a low-carbon economy. It also positions SANAS to respond to increasing international sustainability, carbon reporting and verification requirements that are becoming more important for trade and market access.

The achievement of 100% of SANAS's planned performance targets in 2025/26 therefore represents more than successful implementation of an Annual Performance Plan. It demonstrates an institution delivering effectively on a mandate that underpins confidence in South Africa's quality infrastructure and contributes to the broader objectives of industrialisation, trade competitiveness, economic inclusion, financial sustainability and sustainable development.

South African National Accreditation System

Going forward, SANAS must build on this performance by continuing to strengthen its responsiveness to the needs of industry, regulators, exporters and emerging enterprises. The organisation should remain focused on ensuring that accreditation supports sectors of strategic economic importance, strengthens South Africa's industrial capabilities and enables businesses, including SMMEs, to access opportunities in domestic, African and international markets.

I take this opportunity to thank the SANAS Board, management and employees for their commitment and contribution during the 2025/26 financial year. Their collective efforts have enabled SANAS to achieve an exceptional level of performance and to continue fulfilling its important role in supporting a competitive, inclusive, industrialised, fiscally responsible and sustainable South African economy.

I take this opportunity to thank the SANAS Board, management and staff for their commitment and contribution during the 2025/26 financial year. Their collective efforts have enabled the organisation to deliver on its mandate and to continue strengthening trust and confidence in South Africa's quality infrastructure.



Mr Parks Tau, MP

Minister of Trade, Industry and Competition



4. STATEMENT BY **THE DEPUTY MINISTER**

Mr John Steenhuisen, MP
Deputy Minister of Trade, Industry
and Competition



During the 2025/26 financial year, the South African National Accreditation System (SANAS) continued to make an important contribution to South Africa's economic and industrial development through the provision of an internationally recognised accreditation service that supports Government's policy objectives, strengthens the country's quality infrastructure and enables South African enterprises to compete with confidence in domestic, regional and global markets.

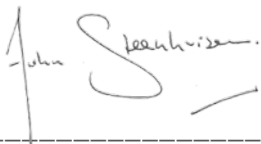
SANAS has a strategic mandate to provide an internationally recognised and effective accreditation and monitoring system for the country. This mandate is increasingly important in an environment characterised by rapidly changing technologies, evolving regulatory requirements, growing sustainability expectations and increasing competition in global markets. Through accreditation, SANAS provides confidence in the technical competence of conformity assessment bodies and, in doing so, supports the quality, safety, reliability and international acceptance of South African goods and services.

Over the reporting period, SANAS has, through the implementation of its 2025/26 Annual Performance Plan, continued to contribute to three broad outcomes, namely: (1) Competitiveness of South Africa's enterprises, (2) Government achieving policy objectives – including regional integration, health, safety and environmental protection, and (3) Organisational Sustainability.

South African National Accreditation System

SANAS's contribution to these priorities extends beyond the technical function of accreditation. By strengthening confidence in South African products and services, reducing technical barriers to trade and supporting compliance with national and international standards, SANAS enables industrial competitiveness, localisation, export growth and improved access to regional and international markets. Its work also creates opportunities for SMMEs and emerging enterprises to participate more effectively in value chains and contributes to a more inclusive industrial economy.

I commend the Board, management and staff of SANAS for the strong performance achieved during the 2025/26 financial year and look forward to working closely with SANAS as it fulfils its critical role in supporting a competitive, inclusive, sustainable and prosperous South African economy.



Mr John Steenhuisen, MP

Deputy Minister of Trade, Industry and Competition

5. FOREWORD BY **THE CHAIRPERSON**



—
Dr Tshenge Demana
CHAIRPERSON OF THE BOARD

Introduction

The 2025/2026 financial year was an important year for the South African National Accreditation System (SANAS), both in terms of organisational performance and the increasingly strategic role that accreditation plays in supporting South Africa's economic and developmental objectives.

As a Schedule 3A Public Entity and South Africa's national accreditation body, SANAS is an integral component of the country's quality infrastructure. Through the provision of internationally recognised, impartial and effective accreditation services, SANAS provides confidence in the competence of conformity assessment bodies and, ultimately, in the testing, inspection, certification, calibration and verification activities upon which regulators, industry, Government and consumers increasingly rely.

The operating environment during 2025/2026 was characterised by increasing reliance on accreditation by regulators, growing demand for competent conformity assessment services, evolving international accreditation arrangements, and heightened expectations for accreditation to support trade, industrialisation, public safety, consumer protection and economic development. As markets become increasingly regulated and technical requirements for products and services become more complex, credible conformity assessment has become an important enabler of economic participation and market access.

Overview of SANAS Strategy and Performance

During the 2025/2026 financial year, SANAS focused on implementing the first year of its 2025/2026–2029/2030 Strategic Plan through its 2025/2026 Annual Performance Plan. The organisation delivered an exceptional level of performance, achieving all 18 of its planned Annual Performance Plan targets, resulting in overall performance of 100%, with eight targets overachieved.

This performance is particularly significant given the broader economic environment within which SANAS operates and demonstrates the organisation's ability to translate its strategic mandate into measurable results. It further reflects the commitment of the Board, management and employees to maintaining organisational effectiveness while responding to the growing expectations placed on accreditation.

Despite limited economic growth during the reporting period, SANAS continued to experience growth in demand for its services. The customer base increased from 2 187 to 2 256 CABs. At the same time, the number of CAB withdrawals reduced significantly, from 94 in 2024/2025 to 59 during 2025/2026. These trends provide an important indication of the continued relevance and value of accreditation within the South African economy.

The 2025/2026 financial year was consequently particularly significant for SANAS from an international recognition perspective. In August 2025, SANAS successfully underwent its four-yearly AFRAC Peer Evaluation. Following the AFRAC decision-making process, SANAS received confirmation on 30 January 2026 that its signatory status under the AFRAC Mutual Recognition Arrangement had been maintained. This is an important achievement for both SANAS and South Africa. It provides continued independent assurance of the competence and credibility of the national accreditation system, safeguards the international recognition of accredited conformity assessment results and strengthens SANAS' position within the African accreditation community. It also enhances SANAS' ability to support emerging areas such as climate-related conformity assessment, environmental verification and sustainable trade.

Strategic Relationships

SANAS continues to recognise that successful delivery of its mandate requires strong relationships across Government, regulators, industry and the regional and international accreditation community.

The organisation maintains strategic partnerships with the African Accreditation Cooperation (AFRAC) and the Southern African Development Community Cooperation in Accreditation (SADCA), supporting the development and strengthening of accreditation and conformity assessment infrastructure across the continent.

Accreditation also has an important role to play in advancing opportunities under the African Continental Free Trade Area (AfCFTA). Greater acceptance of accredited conformity assessment results across African markets can contribute to reducing technical barriers to trade, limiting unnecessary duplicate testing and certification and facilitating greater movement of South African goods and services across the continent.

SANAS also continues to strengthen its relationships with South African regulatory authorities through formal cooperation arrangements. This is particularly important as regulators increasingly utilise accreditation as a mechanism for demonstrating the competence of conformity assessment bodies supporting regulatory programmes.

Strategic Focus Over the Medium to Long Term

The SANAS strategy remains aligned with the Medium-Term Development Plan (MTDP) and its three Strategic Priorities, namely: (1) Inclusive growth and job creation, (2) Reduce poverty and tackle the high cost of living, and (3) A capable, ethical and developmental state.

Over the medium term, SANAS will continue implementing its 2025/2026–2029/2030 Strategic Plan, underpinned by the five-year Impact Statement of: “Increased Trade Competitiveness, Improved Health, Safety and the Environment.”

Governance and Board Oversight

The reporting period also marked an important transition in the governance of SANAS. The term of the previous Board concluded on 30 June 2025, with the new Board commencing its five-year term on 1 July 2025. The transition was effectively managed and provided continuity in the governance and strategic oversight of the organisation. The Board remains committed to maintaining high standards of governance, accountability, ethical leadership and financial management. The Board intends to finalise the appointment of a CEO within the next few months.

South African National Accreditation System

In this regard, while SANAS obtained an unqualified audit opinion, the organisation regressed from the clean audit outcome achieved in the preceding financial year due to a finding identified during the 2025/2026 audit. Management has identified the underlying control weaknesses and implemented specific corrective measures to address the finding and prevent recurrence.

The Board will continue exercising close oversight over the implementation and effectiveness of these corrective measures. Maintaining strong internal controls, compliance and sound financial governance is fundamental to SANAS' institutional credibility, and restoring a clean audit outcome remains an important organisational objective.

Acknowledgement and Appreciation

As Chairperson of the SANAS Board, appointed in July 2025, I wish to express my sincere appreciation to the members of the previous Board, whose term concluded on 30 June 2025, for their leadership, stewardship and contribution to the continued development and success of SANAS.

I extend my appreciation to the SANAS management team and employees for their commitment, professionalism and dedication throughout the reporting period.

I am equally grateful to my fellow Board members for the confidence they have placed in me to lead the Board during this important period in SANAS' journey. Their collective expertise, commitment to sound governance and strategic leadership will be instrumental in guiding the organisation as it responds to an increasingly complex economic, regulatory and international environment.

A special word of appreciation is extended to the Honourable Mr Parks Tau, Minister of Trade, Industry and Competition, as well as the leadership and officials of the dtic, for their continued guidance and support.



Dr Tshenge Demana

Chairperson of the Board



6. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Introduction

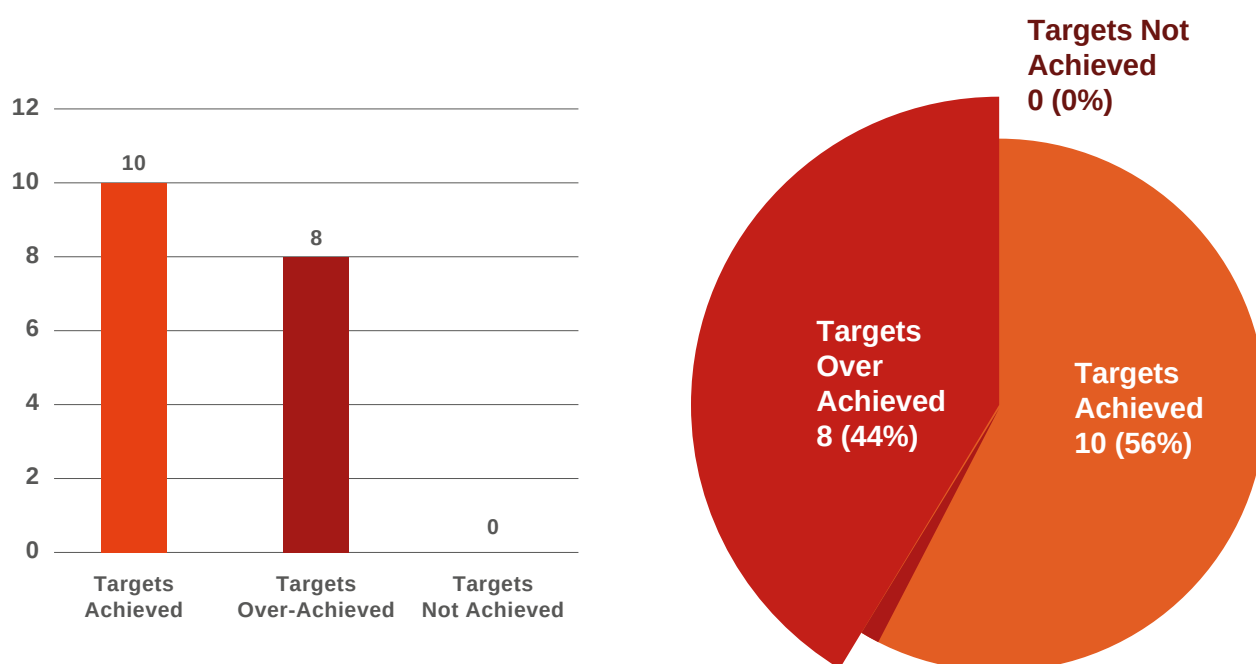
SANAS is a Schedule 3A Public Entity listed under the Public Finance Management Act of South Africa, 1999 (Act 1 of 1999) (PFMA), as amended. As the sole accreditation body for conformity assessment recognised by the Government in South Africa, SANAS verifies and promotes the competence of its accredited CABs nationally, regionally, and internationally against a specific schedule of activities. It has successfully concluded several MRAs in this regard, thereby rendering certificates issued by accredited CABs internationally recognised.

SANAS is guided by the principles of the founding legislation, the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act of South Africa, 2006 (Act No. 19 of 2006) (Accreditation Act). The statutory duties, responsibilities and liabilities are imposed on the Accounting Authority by the PFMA.

Overview of the Performance of SANAS in the Year Under Review

During the 2025/2026 financial year, SANAS committed to achieving 18 APP targets. As of 31 March 2026, SANAS achieved all 18 planned APP targets, resulting in an overall performance of 100%, with eight targets over-achieved, as illustrated in the graphs below:

South African National Accreditation System



The table below provides a summary of the performance across the four SANAS programmes:

Programme	Number of Targets	Performance Against APP Targets as of 31 March 2026	Performance Results
Administration	6	Achieved: 3 Over-achieved: 3 Not achieved: 0	100%
Corporate Services	3	Achieved: 2 Over-achieved: 1 Not achieved: 0	100%
Strategy and Development	5	Achieved: 5 Over-achieved: 0 Not achieved: 0	100%
Accreditation	4	Achieved: 0 Over-achieved: 4 Not achieved: 0	100%
Total	18	Achieved/Over-achieved 18 out of 18 annual targets	100%

By achieving its targets SANAS continues to contribute towards the achievement of the following outcomes, as reflected in its 2020-2025 Strategic Plan: (i) competitiveness of South Africa's enterprises, (ii) Government achieving its policy objectives with specific reference to regional integration, health, safety and the environment, (iii) sustainability of the organisation, and (iv) contribution to Government's developmental and transformational agenda.

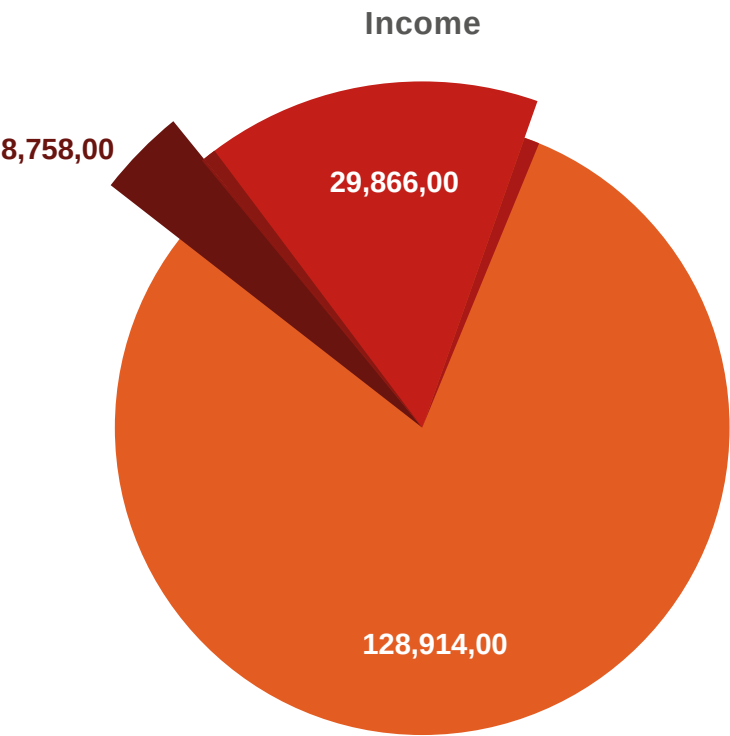
General Financial Review of the Entity

Income

Geopolitical tensions worldwide have adversely affected economic conditions in South Africa. These effects have been transferred to CABs. This has required SANAS to be strategically astute in its management of, amongst other things, withdrawals. Given the landscape, SANAS' services revenue increased by 2% to R168 million (2025/2026) from R164 million (2024/2025).

South African National Accreditation System

SANAS' income is derived from fees for accreditation services, training services and projects, and from the Government grant. The largest contributor to SANAS' income for 2025/2026 was fees for accreditation services, training services and projects, at 77%, followed by the Government grant at 18% and other income at 5%. Other income includes investment income.

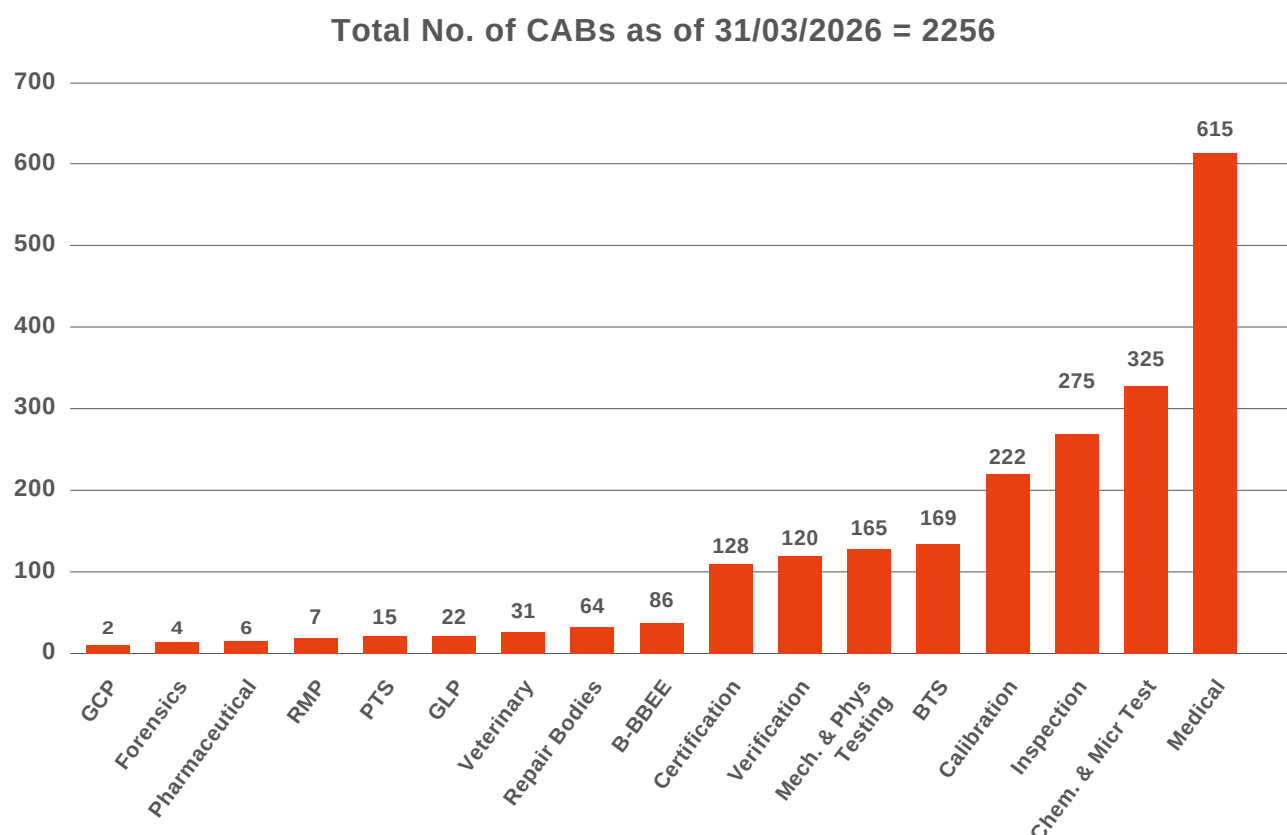


Expenses

The focus of expenditure remained on accreditation services, which are the core function of SANAS. The bulk of expenditure relates to employee costs, assessor costs, travel, and accommodation. For the 2025/2026 financial year, variable costs directly related to accreditation activity, such as travel and assessor costs, increased in line with the growth in the number of CABs. Included in expenditure is a transfer of R14,9 million to the National Revenue fund for surpluses realised in the 2024/2025 financial year. Additionally, surplus funds were utilised to implement SANAS' digital transformation and Broad-Based Black Economic Empowerment (B-BBEE) strategies.

South African National Accreditation System

The graph below summarises the expenditure for the 2025/2026 financial year:



41% of expenditure was attributable to employee-related costs, while 48% was attributable to goods and services, with a major portion of these expenses related to accreditation assessors and travel costs. The surrender of funds to the National Revenue Fund accounts for 8%, while the remaining 3% comprises depreciation and amortisation.

The Entity's overall financial health was still assessed as good, with total assets exceeding total liabilities by a ratio of 7:1.

Capacity Constraints and Challenges

There are no significant challenges hindering the Entity's performance, as evidenced by the achievement of all planned targets for the 2026/27 financial year and its strong financial position. With a vacancy rate of just 1.3%, SANAS is not facing any capacity constraints. However, the Chief Executive Officer (CEO) position remains vacant, and the Board is prioritising this as a matter of urgency.

Discontinued Activities/Activities to be Discontinued

No programmes were discontinued during the period under review.

Requests for Rollover of Funds

Under Section 53(3) of the PFMA, SANAS, as a Schedule 3A Public Entity, may not accumulate surpluses without the prior written approval of the National Treasury. SANAS therefore submitted a request to the National Treasury, in terms of National Treasury Instruction No. 3 of 2025/2026, to retain a surplus of R69 million from the 2024/2025 financial year, and the request was approved.

South African National Accreditation System

Supply Chain Management

The Supply Chain Management Unit resides within the Finance Unit at SANAS and consists of a Procurement Officer, Supply Chain Administrator, and a contracted resource. SANAS meets all the compliance requirements of the PFMA, the Treasury Regulations, the Preferential Procurement Policy Framework Act (PPPFA), and the National Treasury Instruction Notes.

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

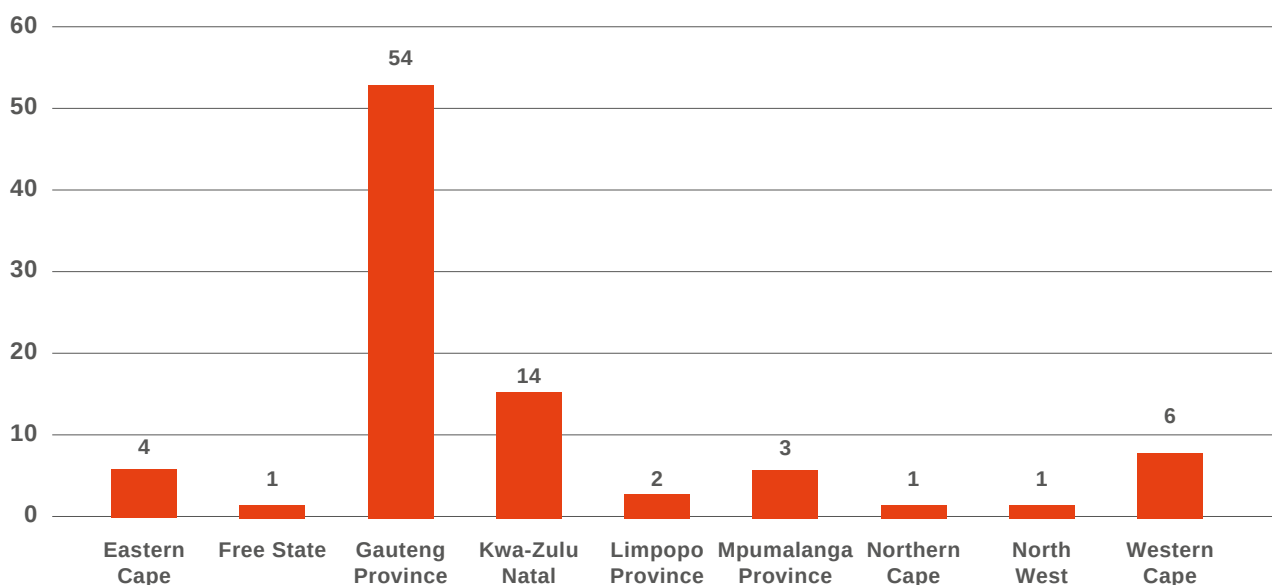
For the 2024/2025 financial year, the External Auditors, Lunika Chartered Accountants and Auditors Inc., issued an unqualified opinion to SANAS. There were no material findings in the reported performance information, nor any non-compliance with selected legislative requirements.

Plans to Address Financial Challenges

SANAS targets generating 80% of its income from internally generated funds, including fees charged to Conformity Assessment Bodies. Due to the tough economic climate, withdrawals of accreditation by accredited CABs remain a key risk to SANAS' revenue generation. On a net basis, SANAS continued to increase the total number of CABs to 2,256 by the end of the 2025/2026 financial year. The result is that the revenue estimated for the year was realised and surpassed. Given this positive trend, it is likely that SANAS' revenue targets will be realised in the future.

In addition, SANAS continues to implement cost containment measures. Further areas for automation have been identified, and process improvements are being implemented to ensure that accreditation remains a financially viable business. The graph below indicates the increase, as reported.

Accredited rating Agencies in each Province



Events After the Reporting Date

On 1 April 2026, SANAS appointed Samba Solutions Incorporated as the new Internal Auditors.

Financial Viability

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

Acknowledgement/s or Appreciation

As Acting CEO, I wish to extend my sincere appreciation to the SANAS Board of Directors, management, employees, and stakeholders for their invaluable contribution to the organisation's excellent performance and continued success during the 2025/2026 financial year.

The 100% achievement of all planned targets recorded during the year under review reflects the dedication, professionalism, and commitment demonstrated across the organisation. Our collective focus on the implementation of the APP targets has enabled SANAS to continue delivering on its mandate and supporting Government's broader policy objectives.

While we are proud of the progress made, we remain mindful that sustainable organisational performance requires continuous improvement. In this regard, SANAS will continue to prioritise the automation of critical business processes, improved operational efficiencies and enhanced service delivery to ensure that we remain responsive to the needs of our stakeholders and the evolving demands of the accreditation environment, while increasing our contribution to the priorities outlined by the dtic, the MTDP and the NDP.

Looking ahead, I am confident that through continued collaboration, disciplined execution and a shared commitment to excellence, SANAS will build on the momentum achieved and further advance its strategic objectives in a sustainable and impactful manner.

Lastly, I wish to express my sincere gratitude to our shareholder, the Department of Trade, Industry and Competition (the dtic), for its continued guidance, support and collaboration throughout the financial year. Its ongoing partnership remains instrumental in enabling SANAS to fulfil its mandate and contribute meaningfully to South Africa's quality infrastructure, economic development and public-interest outcomes.



Mr Farhad Osman

Acting Chief Executive Officer

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE **ACCURACY OF THE ANNUAL REPORT**

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

1. All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the External Auditors.
2. The Annual Report is complete, accurate and is free from any omissions.
3. The Annual Report was prepared in accordance with the guidelines on annual reports, as issued by National Treasury.
4. The Annual Financial Statements (Part F) were prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
5. The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.
6. The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
7. 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 ended on 31 March 2026.

Yours faithfully



Mr Farhad Osman

Acting Chief Executive Officer

Date: 31 August 2026



Dr Tshenge Demana

Chairperson of the Board

Date: 31 August 2026

8. STRATEGIC OVERVIEW



Vision

Ensuring excellence and trust through accreditation.



Mission

To provide an internationally recognised national accreditation system in support of public policy objectives.



Values

TRUST	Building and maintaining trust with stakeholders through ethical behaviour and integrity remains a cornerstone of SANAS' values, supporting the government's vision of honesty and reliability in public service.
EXCELLENCE	SANAS seeks excellence by cultivating a dedicated workforce committed to personal and organisational growth, embodying Government's pursuit of excellence in the public sector.
ACCOUNTABILITY	SANAS reinforces its commitment to accountability by ensuring that every employee upholds standards and takes responsibility for their actions, mirroring Government's emphasis on accountability. Furthermore, SANAS commits to ensuring that its business practices and operations align with relevant sustainability and ethical considerations and take into account Environmental, Social, and Governance (ESG) factors.
INNOVATION	Through fostering a culture of innovation, SANAS aims to achieve outstanding results and continuously improve processes, aligning with national objectives for a competitive and progressive future.
TRANSPARENCY	SANAS emphasises its commitment to clear and open communication, ensuring that actions and decisions are transparent, reflecting the government's focus on responsible governance.

9. LEGISLATIVE MANDATE

SANAS is classified as a Schedule 3A public entity under the PFMA (Act No. 29 of 1999). It is established under the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).

Mandate

SANAS is the sole national accreditation body, established to provide an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by:

- Accrediting or monitoring, for Good Laboratory Practice (GLP) compliance, organisations falling within its scope of activity;
- Promoting accreditation to facilitate international trade and to enhance South Africa's economic performance and transformation;
- Promoting the competence and equivalence of accredited bodies; and
- Promoting the competence and equivalence of GLP-compliant facilities.

Core Functions

The Accreditation Act empowers SANAS to perform the following functions:

- a) Promote the Entity as the sole national accreditation body and its scope of activity;
- b) Encourage and promote the accreditation of calibration, testing and verification laboratories, certification bodies, inspection bodies, rating agencies, and any other type of body that may be added to its scope of activity;
- c) Encourage and promote GLP-compliance with principles adopted by the Organisation for Economic Cooperation and Development (OECD) for GLP facilities;
- d) Promote the acceptance of its activities and those of all bodies accredited by SANAS or its international counterparts;
- e) Promote the recognition of accredited bodies by users of conformity assessments;
- f) Liaise with regional and international standards bodies, and with technical regulatory and metrology organisations, on any matter regarding related accreditation;
- g) Liaise with national regulators on any matter regarding related accreditation;
- h) Promote the use of accredited bodies to facilitate trade;
- i) Advise national, regional, and international organisations on conditions for accreditation, and on other issues related to accreditation;
- j) Establish and maintain a register of all accredited organisations in South Africa;
- k) Initiate, negotiate, conclude, and maintain MRAs and Multilateral Arrangements (MLAs);
- l) Support Government's activities on MRAs;
- m) Obtain and maintain membership of national or international organisations that may assist SANAS in achieving its objectives, and actively participate in such organisations;
- n) Participate in formulating international and regional guidelines and standards to facilitate the accreditation process;
- o) Formulate and implement national guidelines and standards to facilitate the accreditation process;
- p) Promote recognition and protect the use of the SANAS logo nationally and internationally;
- q) Promote and protect regional and international arrangement logos and marks, such as those of the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF);
- r) Establish appropriate technical committees; and
- s) Investigate methods of facilitating trade through accreditation.

10. ORGANISATIONAL STRUCTURE

SANAS' structure reflects the collective accountability and responsibilities for good governance. At the apex of the structure is the Minister of Trade, Industry and Competition, who serves as the Executive Authority. The Minister's oversight role includes the appointment of the Board of Directors.

10.1 Governance Structure



10.2 Board of Directors



Dr Tshengedzeni Denama
Chairperson



Ms Lebogang Matlala
Chairperson of ARC



Ms Nomvula Mhlari
Chairperson of HRRC



Dr Pulane Molokwane
Chairperson of ICT Sub-Committee



Ms Slindile Ndwandawe
Chairperson of Technical Committee



Ms Anele Vutha
Chairperson of Advisory Forum



Dr Dharmarai Naicker
Board Member



Mr Bruce Gordon
Board Member



Dr Nandi Malumbazo
Board Member



Mr Jacob Maphutha
Board Member



Mr John Mazibuko
Board Member



Ms Nolitha Ntobongwana
Board Member



Mr Farhad Osman
Acting CEO



Mr Jonas Shai
Chief Financial Officer







PERFORMANCE INFORMATION

1.	External Auditors' Report on Predetermined Objectives	36
2.	Overview of SANAS Performance	36
3.	Achievement of Institutional Impacts and Outcomes	39 - 42
4.	Performance Information by Programme	42 - 80
4.1	Programme 1: Administration	42 - 46
4.2	Programme 2: Corporate Services	46 - 55
4.3	Programme 3: Strategy and Development	55 - 60
4.4	Programme 4: Accreditation Provision	60 - 80

1. EXTERNAL AUDITORS' REPORT ON PREDETERMINED OBJECTIVES

The External Auditors, Lunika Chartered Accountants and Auditors Inc., performed the required audit procedures for this Annual Report. The outcome of this audit is documented in Part F (Annual Financial Statements), available on page 120.

OVERVIEW OF SANAS PERFORMANCE

1.1 Service Delivery Environment: Key Trends and Developments Impacting SANAS

During the 2025/2026 financial year, SANAS operated in a service delivery environment shaped by increasing regulatory reliance on accreditation, growing demand for trusted conformity assessment services, evolving international accreditation arrangements, regional trade integration, and South Africa's broader economic development priorities. As the sole national accreditation body, SANAS continued to provide internationally recognised accreditation services that support regulators, industry, consumers and Government across areas including trade facilitation, public health, safety, environmental protection, market surveillance and economic competitiveness.

1.1.1 International Developments

At international level, the accreditation landscape continued to evolve towards greater coherence and global harmonisation. A significant development was the transition from separate ILAC and IAF structures towards the establishment of the Global ACI, which became fully operational from 1 January 2026. This development is important for SANAS because continued international recognition remains central to the acceptance of South African-accredited test reports, inspection results, and certificates in global markets. SANAS transferred its membership from ILAC and IAF to the Global ACI.

The international accreditation community also placed increased emphasis on the role of accreditation in supporting small and medium enterprises. The theme for World Accreditation Day 2025 was "Accreditation: Empowering Small and Medium Enterprises", highlighting the role of accredited conformity assessment in helping Small and Medium-sized Enterprises (SMEs) demonstrate quality, safety and reliability, access markets, and compete more effectively. This trend aligns strongly with South Africa's policy focus on inclusive growth, enterprise development and job creation.

Another major international trend affecting the SANAS service delivery environment is the growing link among accreditation, climate policy, and trade. The European Union's Carbon Border Adjustment Mechanism (CBAM) entered its definitive period from 1 January 2026, increasing the importance of reliable emissions data and accredited verification for exporters into affected markets. The European Co-operation for Accreditation has noted that annual CBAM declarations for the 2026 calendar year will require embedded emissions data verified by an accredited verifier. This creates a strategic opportunity for accreditation bodies, including SANAS, to support the South African industry in preparing for emerging green-economy and climate-related conformity assessment requirements.

Regional and African Developments

Regionally, the implementation of the African Continental Free Trade Area (AfCFTA) continued to underscore the importance of mutual recognition, accreditation, and conformity assessment as mechanisms to reduce technical trade barriers. MRAs in accreditation and conformity assessment are increasingly viewed as essential to ensuring that testing, inspection and certification results can be accepted across borders, thereby reducing duplication, lowering costs and supporting intra-African trade.

This regional trend has direct implications for SANAS, particularly given South Africa's position as a significant industrial and export economy on the continent. As African markets become more integrated, the demand for credible, internationally recognised accreditation services is expected to increase. SANAS' participation in regional accreditation structures and its support for the African quality infrastructure ecosystem remain important in strengthening confidence in conformity assessment outcomes across the continent.

National Developments

Nationally, SANAS' service delivery environment was strongly influenced by Government's priorities under the MTDP 2024–2029, particularly inclusive growth and job creation, reducing poverty and the cost of living, and building a capable, ethical and developmental state. The work of SANAS is aligned with these priorities, as well as with priorities related to decarbonisation and diversification, as part of the broader dtic Group contribution to the 7th Administration's programme of action. The resuscitation of the Advisory Forum of the Board also focused on decarbonisation and diversification, with specific reference to cannabis and green hydrogen.

The demand for SANAS accreditation from regulators continues to increase, as they seek to use accreditation to reduce risk, support evidence-based decision-making, and strengthen compliance within regulated sectors. At the same time, South Africa continues to face challenges relating to illicit trade and substandard goods. These conditions increase the importance of credible testing, inspection, certification and verification services to support regulators in market surveillance, consumer protection and enforcement. For SANAS, this creates both an opportunity and a responsibility to ensure that accredited CABs remain competent, impartial and responsive to regulatory and public-interest needs.

In conclusion, during the 2025/2026 financial year, SANAS operated in a dynamic service delivery environment characterised by increasing reliance on accreditation by regulators, growing demand for competent conformity assessment services, evolving international accreditation arrangements, and heightened expectations for accreditation to support trade, public safety, consumer protection and economic development. Internationally, the transition towards the Global ACI, which became fully operational from 1 January 2026, reinforced the importance of maintaining international recognition to support the acceptance of South African conformity assessment results in global markets. Regionally, the implementation of the AfCFTA continued to elevate the role of accreditation and mutual recognition in reducing technical barriers to trade and supporting intra-African market access. Nationally, SANAS' work remained aligned with Government's MTDP priorities, including inclusive growth, job creation and building a capable developmental state. Increased demand from regulators, particularly in health, safety, environmental, and market surveillance-related sectors, created opportunities for SANAS to strengthen regulatory confidence while also placing pressure on turnaround times, assessor capacity, and internal business processes. In response, SANAS continued to prioritise stakeholder engagement, process improvement, automation, and the development of relevant accreditation programmes to ensure that its services remain responsive, credible, and aligned with the needs of regulators, industry, and the public.

1.1.2 Organisational Environment

In August 2025, SANAS underwent its four-yearly joint AFRAC/SADCA re-evaluation and an extension-of-scope evaluation. On 30 January 2026, following AFRAC's decision-making processes, SANAS received confirmation that its signatory status under the AFRAC MRA is maintained and that its scope of recognition was extended to include the main scope of validation and verification, with the sub-scope of Greenhouse Gases (GHG). This significant achievement reinforces SANAS' international credibility, strengthens its leadership role within the African accreditation community, and enhances its capacity to support climate-related conformity assessment services and sustainable trade initiatives.

Despite the limited economic growth experienced within the country, over the 2025/2026 financial year, SANAS' customer base grew from 2187 to 2256 CABs. However, during the reporting period, SANAS also experienced the withdrawal of 59 CABs, compared with 94 in the 2024/2025 financial year. Withdrawals were largely due to financial challenges that impacted their ability to maintain accreditation. This resulted from factors such as declining revenue, rising operational costs, or insufficient financial resources to sustain accreditation activities. In an effort to address this, SANAS increased accreditation fees by 1.2% below CPI to make accreditation more affordable and accessible to CABs, particularly smaller facilities.

As part of its revenue-generating activities, SANAS Knowledge Transfer (KT) provides both contact courses and live virtual courses. During the period under review, SANAS continued implementing a hybrid approach for its KT courses, enabling training to be delivered through contact sessions, virtual live sessions, and hybrid contact-virtual live platforms. As a result, the KT function exceeded projected revenue through providing KT courses to both internal and external clients within South Africa and regionally.

To optimise service delivery and strengthen organisational efficiency, SANAS continued to implement its Digital Transformation Strategy during the period under review. The strategy aims to automate key business processes and systems, equip employees with modern, fit-for-purpose technology, and enhance the resilience and security of SANAS' information technology (IT) infrastructure against cyber risks. In addition, SANAS made significant enhancements to the Shanduka system to further automate the accreditation value chain, from the application for accreditation through to the issuing of accreditation certificates. These improvements are expected to enhance process efficiency, improve turnaround times, strengthen data integrity and contribute to a more responsive service delivery environment.

In an effort to improve its B-BBEE rating, SANAS developed and implemented several interventions related to enterprise and supplier development, among other measures, during the 2025/26 financial year. Based on such interventions, SANAS envisages a drastic improvement in its B-BBEE rating during the next verification cycle taking place in the 2026/27 financial year.

In terms of its human resources, SANAS maintained an average vacancy rate of just 1.3% over the reporting period. However, the key position of the CEO remains vacant. The Board has commenced the recruitment process and plans to fill the CEO position by the second quarter of the 2026/27 financial year. At the time of reporting, the Executive: Strategy and Development was the Acting CEO. Furthermore, the term of the SANAS Board of Directors ended on 30 June 2025, after which a new Board was appointed on 1 July 2025.

1.1.3 Key Policy Developments and Legislative Changes

During the reporting period, there were no major changes to relevant policies or legislation affecting SANAS's operations.

2. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

SANAS' accreditation services play a critical role in strengthening confidence in South Africa's conformity assessment system. By accrediting competent testing, inspection, calibration, verification and certification bodies, SANAS enables the national, regional and international acceptance of conformity assessment results. This supports regulators, industry and exporters by reducing the risk of rejected goods and services, limiting unnecessary duplication of testing and inspection, and facilitating access to domestic, regional and global markets. In this way, SANAS contributes to economic competitiveness, trade facilitation, regulatory effectiveness and public-interest outcomes such as consumer protection, health, safety and environmental protection.

SANAS has built its strategy to contribute towards the following outcomes, as identified in its 2020-2025 Strategic Plan, which are aligned with the priorities of the dtic and, in turn, Government's strategic direction as outlined in the MTDP.

Outcome 1: Competitiveness of South Africa's Enterprises

South African enterprises operate in an increasingly complex and competitive environment shaped by global market pressures, evolving regulatory requirements, technological change and domestic socio-economic priorities. In this context, the ability of enterprises to demonstrate that their goods and services meet recognised quality, safety and performance requirements is critical to improving competitiveness, expanding market access and supporting inclusive economic growth.

As South Africa's sole national accreditation body and a key component of the national quality infrastructure, SANAS plays a strategic role in strengthening confidence in the country's conformity assessment system. Through internationally recognised accreditation of testing, inspection, calibration, verification and certification bodies, SANAS enables the acceptance of South African conformity assessment results nationally, regionally and internationally. This reduces the need for duplicate testing or inspection, lowers the risk of rejection of South African goods and services, and supports regulatory compliance and cross-border trade.

During the period under review, SANAS continued to align its priorities with Government's policy priorities, including the NDP and the MTDP 2024–2029, which places inclusive growth and job creation as an apex priority. In response to emerging market and regulatory needs, SANAS continued to support the development and expansion of accreditation services in strategically important areas and sectors that contribute to industrial development and public-interest outcomes.

Through these efforts, SANAS contributes to a trusted, competent and internationally recognised conformity assessment environment. This strengthens the competitiveness of South African enterprises, supports regulators in achieving policy and oversight objectives, and reinforces South Africa's position as a credible trading partner in regional and global markets.

In fulfilling its responsibility to manage the accreditation of new and existing clients in terms of legislation and international good practice and ensure that accredited organisations' services are available to the South African industry and regulators, SANAS increased the number of accredited organisations, from 2,187 to 2,256 CABs, by the end of the 2025/2026 financial year. During the reporting period, SANAS accredited an additional 141 CABs, which is 51 more than the set annual target of 90.

South African National Accreditation System

To reduce red tape and improve turnaround times, SANAS achieved an average turnaround time of nine working days for issuing certificates and scopes of accreditation after the approvals process was completed. This achievement is attributed to the continued implementation of turnaround-time improvement measures for certificates and ongoing process monitoring.

To reduce barriers to entry by maintaining low accreditation costs, SANAS increases accreditation fees for the 2026/27 financial year by 1.2% below the Consumer Price Index (CPI). Lower accreditation fees will make accreditation more affordable and accessible, particularly for smaller facilities and Small, Medium and Micro Enterprises (SMMEs).

Outcome 2: Government Achieving Policy Objectives Focused on Regional Integration, Health, Safety and the Environment

Government's policy priorities continue to place strong emphasis on regional integration, trade facilitation, health, safety, environmental protection and inclusive economic development. Within this context, SANAS plays a strategic role in strengthening the national, regional and international quality infrastructure by ensuring that accredited conformity assessment services are competent, impartial and internationally recognised. This enables regulators, industry and trading partners to place confidence in South African test, inspection, calibration, verification and certification results.

SANAS' participation in key international and regional accreditation structures remains central to maintaining this confidence. The establishment of the Global ACI, which became operational on 1 January 2026 and replaced the former IAF and ILAC structures, represents an important development in the global accreditation landscape. It is intended to strengthen the worldwide recognition and acceptance of accredited conformity assessment results across borders. SANAS' continued recognition through global and regional arrangements, including AFRAC and SADCA, supports the international acceptance of results issued by SANAS-accredited conformity assessment bodies and reinforces South Africa's credibility within the global quality infrastructure system.

In August 2025, SANAS underwent its four-yearly joint AFRAC/SADCA re-evaluation and an extension-of-scope evaluation. On 30 January 2026, following AFRAC's decision-making processes, SANAS received confirmation that its signatory status under the AFRAC MRA is maintained and that its scope of recognition was extended to include the main scope of validation and verification, with the sub-scope of Greenhouse gases (GHG). This significant achievement reinforces SANAS' international credibility, strengthens its leadership role within the African accreditation community, and enhances its capacity to support climate-related conformity assessment services and sustainable trade initiatives.

At regional level, SANAS' role is increasingly important as Africa advances economic integration through the African Continental Free Trade Area. Accreditation and MRAs are key enablers of regional trade, as they reduce unnecessary duplication of testing, inspection and certification, support regulatory acceptance, and help lower technical barriers to trade. Through its active participation in AFRAC and SADCA, SANAS contributes to the development of a more harmonised, credible and trusted African conformity assessment environment.

Through these efforts, SANAS supports South Africa's trade and investment ambitions, strengthens the competitiveness of South African enterprises, and contributes to Government's broader objectives of regional integration, industrial development, public safety and sustainable economic growth. Its international and regional recognition provides a critical foundation for South African goods and services to be accepted with confidence in domestic, regional and global markets.

In the 2025/2026 financial year, the strategic objectives of the AFRAC Secretariat and the SADCA Secretariat, which are hosted by SANAS, were to support regional integration on accreditation matters. This was measured through the respective Secretariat's APPs, of which all the planned key interventions related to both SADCA and AFRAC Secretariat functions were successfully implemented. AFRAC is part of the Pan-African Quality Infrastructure (PAQI) institutions recognised by the African Union Commission as the platform for accreditation and conformity assessment.

Developing new accreditation programmes plays a strategic and catalytic role in supporting regional integration, industrial development and economic growth, particularly within dynamic and developing regions such as Africa. By aligning new accreditation programmes with regional and international standards, SANAS enables the mutual recognition and acceptance of conformity assessment results, including testing, inspection, calibration, verification and certification outcomes. This reduces the need for products and services to undergo repeated testing or certification when entering new markets, thereby lowering technical barriers to trade, reducing costs and delays for exporters, and improving the competitiveness of regional products and services. This is particularly important in the context of the AfCFTA, where harmonised quality infrastructure, credible conformity assessment and trusted accreditation systems are essential to facilitating intra-African trade. Through the development of relevant and responsive accreditation programmes, SANAS contributes to building confidence between regulators, industry and trading partners, while supporting Africa's broader objective of creating an integrated, competitive and sustainable continental market.

During the 2025/2026 financial year, as part of developing the Biobank Accreditation Programme, SANAS finalised the sourcing of technical assessors. The Biobank accreditation programme is designed to ensure that biobanks adhere to high standards of quality, safety, and ethical practices in the collection, storage, and distribution of biological samples and associated data. The accreditation programme will help establish trust among researchers, clinicians, and the public, ensuring that biobanks meet rigorous criteria for handling biological specimens.

Outcome 3: Organisational Sustainability

Organisational sustainability is a strategic imperative for ensuring SANAS' long-term viability, resilience and continued relevance in an evolving accreditation, regulatory and economic environment. It requires the organisation to balance financial sustainability, operational efficiency, good governance, people development, technological advancement and environmental responsibility in a manner that supports the effective delivery of its mandate. A sustainable organisation is better positioned to manage risk, adapt to changing stakeholder expectations, maintain service excellence, and respond to emerging national, regional and international accreditation needs.

For SANAS, organisational sustainability is therefore not only about maintaining internal stability, but also about strengthening the organisation's ability to support regulators, industry and Government policy objectives in a credible, efficient and impactful manner. Through sound governance, responsible resource management, digital transformation, skills development and continuous improvement, SANAS can continue to build stakeholder trust, maintain international recognition and contribute meaningfully to South Africa's quality infrastructure and broader socio-economic development agenda.

During the 2025/2026 financial year, SANAS increased the number of accredited organisations from 2,187 to 2,256 CABs, resulting in higher-than-projected revenue. This growth in CABs resulted in SANAS achieving a ratio of 82:18 SANAS income vs the government grant, against a target of 80:20.

South African National Accreditation System

In terms of stakeholder engagements, SANAS rolled out 39 across all three planned intervention areas, against a target of 12. Moreover, SANAS achieved an average vacancy rate of 1.3%, against the target of maintaining it below 5%. The position of the CEO is still vacant; however, the Board of Directors have commenced with the recruitment process and envisages having the CEO position filled within the second quarter of the 2026/27 financial year.

Outcome 4: Contribution to Government's Developmental and Transformational Agenda

SANAS supports Government's transformative and developmental agenda by contributing to the creation of sustainable jobs, facilitating capacity development for SMMEs, promoting enterprise development, and advancing Supplier and Enterprise Development (SED). This agenda is pivotal to address South Africa's socio-economic challenges. By empowering SMMEs and fostering a culture of innovation and entrepreneurship, SANAS helps create a more inclusive economy. Additionally, targeted skills development programmes ensure the workforce is adequately prepared to meet evolving industry demands.

During the 2025/2026 financial year, SANAS capacitated 12 SMMEs against the target of 10. This included initiatives related to enterprise development and supplier development, amongst others. Such initiatives also help improve its B-BBEE level. SANAS also recruited and placed four interns on a 2-year internship programme.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 PROGRAMME 1: ADMINISTRATION



Purpose

The purpose of this programme is to ensure that effective leadership, financial management, and legal and administrative support continue to define the organisational strategy and structure, in compliance with applicable legislation and international best practices.

Description of the Programme

The sub-programmes that fall under this programme include Policy Development, Financial Management, Legal Services and the Company Secretary.

Policy Development

SANAS' Board of Directors, as its Accounting Authority, provides strategic direction in alignment with the Accreditation Act, the Strategic Plan, and the APP, as submitted to the Minister of Trade, Industry and Competition, the Executive Authority. Through its CEO, and as delegated by the Accounting Authority, SANAS' management is responsible for the day-to-day implementation and control of the Entity's Strategic Plan and APP.

Financial Management

The Financial Management sub-programme ensures that the Entity is compliant with the PFMA, Treasury Guidelines, and all other relevant financial standards and regulations. The responsibilities and functions of the Chief Financial Officer (CFO) include, among others, overseeing supply chain management, refining its financial accounting systems, and advising the CEO on financial risk and risk control.



Ms. Angelique Brits
Business Manager



Ms. Elwina Daniels
Debtors Administrator



Mr. Mpho Mothlala
Creditors Administrator



Ms. Deborah Makama
Finance Temp



Ms. Zanele Ngwenya
Procurement Officer



Ms. Nkhesani Mathebula
Supply Chain Administrator:
Procurement



Ms. Katlego Motsepe
Supply Chain/Procurement Temp

Legal Services

Internal legal services are provided by the Company Secretary, with a focus on SANAS' contractual, litigious, operational, and managerial matters. It proactively ensures that the legal implications of proposed decisions are examined to mitigate future risks. The King IV Code and Report on Governance for South Africa, adopted by SANAS, has helped resolve potentially litigious matters amicably, avoiding protracted and costly litigation.



Mr. Dawood Petersen
Company Secretary/Legal
Advisor

Company Secretary

The Company Secretary oversees corporate governance and assists the Board in adhering to sound corporate governance principles. The role includes providing Board members with training on their roles and responsibilities, guiding the Board on legislation, regulations and policies and providing the Board and its committees with Secretariat services.

Institutional Outcomes for Programme 1

- Organisational sustainability
- Competitiveness of South African enterprises
- Government achieving policy objectives (health, safety, environment and regional integration)

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Competitiveness of South Africa's enterprises	Reduced barriers to entry by maintaining low costs of accreditation	Percentage increase in accreditation fees	New indicator	2025/26 accreditation fees were increased by 3%, whereas average inflation was 4.6% for 2024	Accreditation fees increased by 1% below CPI for the 2026/27 financial year	Annual target overachieved Accreditation fees were increased by 1.2% below CPI	0.2%	SANAS was able to offer a lower increase in fees due to its strong financial position
	Reduced reliance on government funding	Percentage ratio of SANAS income versus government grants	80:20 SANAS income vs government grant	80:20 SANAS income vs government grant	80:20 SANAS income vs government grant	Annual target overachieved SANAS income was 82% while the grant from the dtic was 18%	2:-2	Additional revenue was generated over projection
Organisational sustainability	Increased payment efficiency	Average number of days to process eligible payments	More than 5% of eligible payments were processed after 19 days, and there were payments made after 30 days	All eligible payments were processed within an average of 9.64 days; however, 10 payments were processed after 30 days	All eligible payments are processed within an average of 19 days	Annual target achieved All eligible payments throughout the financial year were processed in an average of 11.5 days	Not applicable	Not applicable

PROGRAMME: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Contribution to Government's developmental and transformational agenda	Growth and sustainability of SMMEs	Number of SMMEs capacitated	New indicator	Engagements undertaken with Seda in January 2025, and February 2025, which resulted in the development of a draft funding agreement to support SMMEs	10 SMMEs capacitated	Annual target overachieved 12 SMMEs were capacitated	2 SMMEs	Due to affordability and availability of budget, additional SMMEs were capacitated
Government achieving policy objectives (regional integration, health, safety and the environment)	Acceptance of conformity assessment results	Percentage implementation of AFRAC Secretariat's APP	100% (cumulative) of the AFRAC Secretariat's APP was implemented	100% (cumulative) of the AFRAC Secretariat's APP was implemented	At least 90% of the AFRAC Secretariat's APP implemented	Annual target achieved Implemented 90% of the AFRAC Secretariat's APP	Not applicable	Not applicable
Government achieving policy objectives (regional integration, health, safety and the environment)	Acceptance of conformity assessment results	Percentage implementation of SADCA Secretariat's APP	90% (cumulative) of the SADCA Secretariat's APP was implemented	100% (cumulative) of the SADCA Secretariat's APP was implemented	At least 90% of the SADCA Secretariat's APP implemented	Annual target achieved Implemented 90% of the SADCA Secretariat's APP	Not applicable	Not applicable

South African National Accreditation System

Linking Performance with Budgets

Programme	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	127,265	74,068	53,197	54,953	51,542	3,411
Total	127,265	74,068	53,197	54,953	51,542	3,411

Strategy to Overcome Areas of Underperformance

Not applicable, as all planned targets were achieved.

Changes to Planned Targets

There were no changes to the annual targets planned for the 2025/2026 financial year.

3.2 PROGRAMME 2: CORPORATE SERVICES



Purpose

The purpose of this programme is to oversee the provision of Corporate Services, which plays an enabling role for the Entity.

Description of the Programme

The sub-programmes that form part of Corporate Services include Information and Communication Technology (ICT), Quality Management, ICT Security, Human Resources (HR) Management, Facilities Management, Admin Coordination, and Marketing and Communications.

Quality Management

The Quality Management Department is responsible for ensuring the control, maintenance and supervision of the implementation of the policies, processes and procedures of the SANAS Management System in accordance with ISO/IEC 17011:2017 and other national, regional and international requirements, as set out by the ILAC/IAF/OECD/AFRAC and government. During the 2025/2026 financial year, the primary objective of the Quality Management function was to ensure SANAS' readiness for the four-yearly AFRAC/SADCA re-evaluation and extension-of-scope evaluation, which was conducted from 4 to 8 August 2025 and concluded successfully. A further key priority was implementing corrective actions to address the findings from the re-evaluation process.

During the reporting period, significant progress was made in strengthening and maintaining the quality of operations, resulting in the achievement of the following key outcomes, amongst others:

- The successful outcome of the AFRAC/SADCA re-evaluation and extension-of-scope evaluation of SANAS conducted in August 2025;
- The review of 125 SANAS documents, of which 113 were revised, improved, and published as updated versions;
- The satisfactory resolution of 16 complaints relating to SANAS and/or its processes;
- The re-issuance of 70 assessor certificates, thereby reaffirming the continued compliance of assessors with SANAS requirements;
- The qualification and registration of 5 team leaders and 22 technical assessors to strengthen assessor capacity and competence;
- The continuous upskilling and professional development of quality management staff; and
- The achievement and/or over-achievement of three related APP targets.

International and Regional Development

International Development



On 1 January 2026, the Global ACI was launched, assuming the roles of the IAF and the ILAC and becoming the single international authority for the accreditation of laboratories, certification bodies, inspection bodies, proficiency testing providers, validation/verification bodies, reference material producers, and biobanks.

The Global ACI strengthens international trust through its MRA, which enables the acceptance of accredited conformity assessment results across multiple markets, eliminating the need for repeated testing or certification and facilitating global trade. Membership includes 190 members: 126 full members (signatories to the MRA, of which SANAS is one), 13 associate members, 45 stakeholder members, and 6 regional accreditation cooperation members, including AFRAC and SADCA.

The objectives of the Global ACI are to support governments, regulators, industry, and end-users in implementing conformity assessment policies; facilitate global trade through the MRA; promote international accreditation to meet market needs; promote accredited conformity assessment activities; promote trust in the results of conformity assessment bodies; and Harmonise accreditation practices.

As part of South Africa's contribution to the development and strengthening of the accreditation infrastructure, SANAS will maintain its active engagement in the work of the Global ACI. Through its continued participation in various meetings, including technical meetings, ballot processes, and review of policies, procedures and accreditation requirements, SANAS will contribute to and help shape the evolution of international accreditation requirements.

During the period under review, SANAS, through the AFRAC Secretariat, was appointed as the co-convenor of the Global ACI's working group on MRA documents. The first official meetings and the third General Assembly of the Global ACI took place from 20 to 26 April 2026 in Prague, Czech Republic. They were attended by SANAS representatives as part of SANAS' membership obligations.

Regional Development

The non-acceptance of conformity assessment results is one of the Technical Barriers to Trade (TBT) that could potentially obstruct Africa's regional integration efforts. By ensuring that the required infrastructure and competence exist within Africa, many of these TBT's can be eliminated, thus allowing for the free flow of quality goods and services across borders.

SANAS, as the largest and oldest accreditation body on the African continent, is actively involved in the work of two such regional accreditation cooperation infrastructures, i.e., the SADCA and the AFRAC.

African Accreditation Cooperation (AFRAC)

AFRAC is one of the four PAQI institutions recognised by the African Union Commission as the continental platform for all matters related to accreditation and conformity assessment to strengthen the competitiveness of Africa's goods and services and contribute towards the industrialisation of the continent and its sustainability. To fulfil its mandate, AFRAC is a recognised regional accreditation cooperation under the Global ACI's MRA, which allows for the global acceptance of results produced by conformity assessment bodies accredited by AFRAC member accreditation bodies. SANAS continues to hold the positions of the AFRAC Vice-Chair, Technical Committee Chairperson, and AFRAC Secretariat. SANAS officials continue to participate in AFRAC and PAQI activities.

In the 2025/2026 financial year, the key strategic objective of the AFRAC Secretariat, hosted by SANAS, was to support regional integration in accreditation matters across Africa. Performance against this objective was measured through the Secretariat's APP, with all planned key interventions successfully implemented. These interventions resulted in the following achievements:

- The successful re-evaluation and extension-of-scope evaluation of AFRAC, which commenced in April 2025 and remains in progress;
- The successful coordination of the AFRAC virtual mid-term meetings held from 26 to 30 May 2025, as well as the successful AFRAC General Assembly and associated meetings from 22 to 26 September 2025 in Entebbe, Uganda, thereby enabling AFRAC to achieve its annual strategic objectives;
- The successful completion of AFRAC re-evaluation and extension-of-scope evaluations for two accreditation bodies, namely SANAS and the Egyptian Accreditation Council (EGAC), as well as an extension-of-scope evaluation for the Système Ouest Africain d'accréditation (SOAC, Côte d'Ivoire);
- The expansion of AFRAC membership through the admission of one Signatory Member, the Nigeria National Accreditation System (NiNAS), one Associate Member, the Libyan Accreditation Services Department, and two stakeholder members, namely the United Group of Conformity Assessment Bodies (UGCAB), Iraq, and the Southern African Society for Quality (SASQ), South Africa;
- The delivery of five joint AFRAC/SADCA training courses to AFRAC evaluators and accreditation body members to strengthen regional competence and capacity;
- The continued review and enhancement of AFRAC policies and procedures to support effective governance and operational efficiency;
- The successful mobilisation of funding for AFRAC projects and initiatives; and
- The representation of AFRAC at key regional and international forums, including those of the ILAC, the IAF, the PAQI, and the Global ACI.

The Southern African Development Community Cooperation in Accreditation (SADCA)

SADCA is mandated by the TBT Annexure to the Southern African Development Community Cooperation (SADC) Trade Protocol to provide SADC Member States with an accreditation infrastructure as a tool for facilitating the national, regional and international recognition and acceptance of conformity assessment results, thus facilitating trade and protecting the health and safety of the public and the environment. SANAS continues to host the positions of the SADC Regional Coordinator for Accreditation, which are appointed in terms of the TBT Annexure to the SADC Trade Protocol. The hosted positions include the SADCA Secretariat, SADCA MRA Committee Chairperson, SADCA Technical Committee Chairperson and Marketing and Communication Committee Chairperson. Regarding its membership obligations, SANAS officials continued to participate in SADCA meetings and activities.

In the 2025/2026 financial year, the key strategic objective of the SADCA Secretariat was to support regional integration in accreditation matters within the SADC region. Performance against this objective was measured through the Secretariat's APP, with all planned key interventions successfully implemented. These interventions resulted in the following achievements:

- The successful re-evaluation of SADCA, which commenced in November 2025 and remains in progress;
- The successful coordination of the SADCA annual General Assembly and associated meetings, held from 16 to 26 March 2026 through both virtual and face-to-face engagements in Johannesburg, South Africa, thereby enabling SADCA to achieve its annual strategic objectives;
- The finalisation and publication of the SADCA Annual Report for 2025;
- The delivery of five joint AFRAC/SADCA training courses to SADCA evaluators and accreditation body members, aimed at strengthening regional competence and capacity;
- The continued review and enhancement of SADCA policies and procedures to support effective governance and operational efficiency;
- The successful mobilisation of funding for AFRAC and SADCA projects and initiatives; and
- The representation of SADCA at key regional and international forums, including those of the ILAC, the IAF, the SADC TBT Experts Group, and the Global ACI.

Administration Coordination



The Administration Coordination sub-programme continued to play an important role in supporting all SANAS accreditation programmes and organisational operations during the year under review. The sub-programme remained focused on delivering efficient, accurate, and customer-focused administrative services.

During the reporting period, emphasis was placed on operational and process-improvement initiatives to enhance efficiency, consistency, and responsiveness within the administrative environment. Existing workflows and administrative processes were reviewed to identify opportunities to streamline and reduce turnaround times, particularly for issuing Certificates and Scopes of Accreditation following Approvals Committee decisions. These improvements contributed to more streamlined operations and improved turnaround times in key administrative areas.

South African National Accreditation System

The year also saw continued investment in staff development and knowledge-sharing initiatives to strengthen administrative capability and support a culture of continuous improvement. Through collaboration, adaptability, and a shared commitment to service excellence, the administrative team remained resilient and responsive in supporting SANAS operations.

Looking ahead, this sub-programme will continue to support initiatives focused on digital transformation, process automation, and operational optimisation to further enhance efficiency, responsiveness, and customer satisfaction.

Information and Communications Technology (ICT) Management



During the 2025/2026 financial year, SANAS ICT continued to play a critical role in enabling the organisation to achieve its strategic and operational objectives. Through sustained investment in digital solutions, system optimisation, and infrastructure reliability, ICT supported the continuous improvement of SANAS' core accreditation value chain and internal business operations.

The year's focus remained on executing priority digital transformation initiatives, strengthening system stability and governance, and enhancing service delivery through targeted automation and technology enablement. SANAS continued its transition towards a more digitally enabled, efficient, and customer-centred organisation.

Automation, streamlining, and digitalisation of business processes remained a key priority for SANAS during the reporting period. The organisation continued to benchmark and deploy fitforpurpose digital platforms that improve operational efficiency, reduce manual processes, and enhance turnaround times for both internal users and external customers.

Key ICT initiatives implemented or progressed during the 2025/2026 financial year include the following:

- Further enhancement of the SANAS online accreditation system (Shanduka), including additional functionality supporting accreditation registers, digital signature automation, financial system integration, certification processes, Statement of Accreditation (SOA) capabilities, and structured data migration activities, as well as strengthening end-to-end accreditation processes.
- Deployment of the Desk Alert system, providing automated acknowledgements and internal notifications, resulting in improved responsiveness, accountability, and user engagement across the organisation.
- Development and phased implementation of the Course Management System (CMS), with Phases 1 and 2 fully deployed and elements of Phase 3 implemented to streamline and digitise KT Centre administration, training scheduling, invoicing, and learner management processes.
- Deployment of the Mothusi Chatbot, enhancing digital customer engagement by providing automated responses, information access, and support services, thereby improving customer experience and reducing manual enquiry handling.
- Implementation of Managed Engine (IT Tools), enabling proactive monitoring, support ticket management, system visibility, and improved service management capabilities within ICT operations.

In support of the expanding digital environment, SANAS invested in maintaining and strengthening the reliability, security, and resilience of its ICT infrastructure during the year. Key focus areas included:

- Optimisation and stabilisation of server and network infrastructure to support business-critical systems and digital platforms;
- Annual server integrity and cybersecurity assessments, reinforcing ICT governance, risk management, and compliance with internal control and audit requirements; and
- Continued management of specialised ICT service providers to ensure service continuity, performance stability, and operational support aligned with SANAS business needs.

In line with SANAS' commitment to environmental sustainability, ICT continued to support the Green IT strategy through initiatives to reduce environmental impact and promote responsible technology use. These initiatives included:

- Responsible disposal and recycling of obsolete ICT equipment and consumables, in line with environmental standards and asset management policies; and
- Ongoing reduction of printing volumes and associated costs through digital approvals and electronic communication.

IT Security: Risk Management and Business Continuity

Business continuity and the need to secure customer and employee information and data remain crucial during the 2025/2026 financial year, as the wave of cyber-attacks rages on in South Africa, especially in the public sector. SANAS has strengthened its cybersecurity strategy by consistently adhering to the ISO/IEC 27001 standard and the COBIT (Control Objectives for Information and Related Technology) Framework.

To meet the IT Security needs of all stakeholders (i.e., staff, customers, suppliers, contractors, etc.), SANAS continually focuses on cybersecurity staff awareness training and associated risks. The focus on training staff was due to the fact that most major cybersecurity attacks stem from human error and actions that weaken and compromise IT Security systems. During this period, SANAS has maintained 99% attendance in the online cybersecurity awareness training and has conducted continuous testing of our IT systems for vulnerabilities.

SANAS has embarked on a strategy to reduce the IT Security Organisational Risk Score to a level below the industry benchmark. Initiatives adopted include increased awareness training, testing employee behaviour by sending fake emails to gauge responses, improving network passwords, and implementing a Threat Detection and Response system. SANAS has also improved its technology offering by implementing more secure applications and networks, monitoring mechanisms and streamlined processes.

Improvements were also made to the security of the guest Wi-Fi system to protect information from unauthorised access by visitors. SANAS shall continue to focus on cybercrime trends and on safeguarding against new cyber threats by keeping applications up to date and implementing systems that help staff protect information.

All these deliberate strategies and tactics have resulted in fewer cybersecurity incidents, greater cost savings, more proactive risk management, improved business continuity, and enhanced customer experience.

During this period, focus was also given to physical security issues by implementing more secure, classified access to the offices to protect SANAS' physical assets from intruders. Classified access to Server Rooms, Network centres and areas with critical information was also implemented.

Communications and Marketing - Engaging our Stakeholders



The main purpose of the SANAS Communications and Marketing Department is to strategically enhance and safeguard SANAS' reputation, increase brand awareness, and effectively communicate the value and importance of SANAS accreditation to all stakeholders.

The Communication and Marketing sub-programme has been diligently overseeing the rollout of tailored marketing, communication, and stakeholder engagement plans. These audience-specific initiatives are strategically designed to strengthen SANAS' brand awareness and emphasise the significance and value of SANAS accreditation.

Brand Awareness and Customer Relationship Management

Throughout the reporting period, SANAS adopted a strategic approach to stakeholder engagement, underscoring its commitment to transparency and accountability. By utilising a variety of internal and external communication platforms, SANAS effectively supported marketing initiatives, strengthened our brand presence, and heightened awareness of the value of accreditation among diverse stakeholder groups.

SANAS also played an active role in hosting and participating in prominent industry events. These engagements provided meaningful opportunities to share knowledge about accreditation processes with the public, industry associations, professional bodies, and regulatory authorities. Collectively, these efforts enhanced visibility, fostered collaboration, and reinforced SANAS' position as a trusted leader in the accreditation landscape.

Stakeholder Engagements

We facilitated a series of external stakeholder engagements through both virtual and in-person events and workshops. These platforms were designed to communicate key messages that reinforced the integrity of SANAS, the reliability of accreditation, and the trustworthiness of our processes and requirements. These also played a pivotal role in strengthening stakeholder confidence in results issued by SANAS-accredited conformity assessment bodies.

Key engagements included:

- **World Accreditation Day** – Highlighting the global significance of accreditation in promoting quality and trust;
- **Accreditation Information Sessions** – Offering stakeholders information on the importance of accreditation and how it affects us in our daily lives;
- **New Applicants Workshop** – Providing guidance to prospective applicants in preparing for accreditation, as well as those who have recently applied for accreditation;
- **Industry Partnership and Collaboration** – Building stronger relationships with industry bodies to advance shared objectives; and
- **Tertiary Institution Awareness Campaign/Collaboration** – Engaging academic institutions to raise awareness and foster collaboration in accreditation initiatives.

Social Media Platform

We continue to use social media platforms as a communication tool to reach a wider audience, increase brand awareness, and effectively communicate the value and importance of SANAS accreditation to all stakeholders.

The marketing and communication business unit plays a pivotal role in ensuring that SANAS is consistently understood, trusted, and valued by its stakeholders. Through its efforts, it supports SANAS' mandate to deliver an internationally recognised and effective accreditation system for South Africa. It also strengthens stakeholder relationships and reinforces SANAS' position as a credible authority in accreditation.

The core functions of the business unit include:

- **Brand identity:** Establish a clear, consistent voice and visual identity across all platforms. This reinforces SANAS' credibility as South Africa's national accreditation body.
- **Stakeholder engagement:** Tailor communication strategies for different audiences: CABs, government, industry, consumers, and the public. Engagement should be two-way, not just informational.
- **Value of accreditation:** Highlight accreditation's role in quality assurance, safety, trade facilitation, and economic growth. Use case studies and success stories to make the benefits tangible.
- **Communication channels:** Balance traditional publications with digital platforms (social media, newsletters, webinars, events). Each channel should reinforce SANAS' mission and reach diverse audiences.
- **Business alignment:** Ensure campaigns and messaging directly support SANAS' strategic goals, such as sustainability, growth, and international recognition.
- **Crisis communication:** Develop protocols for rapid, transparent responses to reputational risks. Train spokespersons and prepare holding statements in advance.
- **Internal communications:** Keep employees informed and engaged. Internal newsletters, town halls, and intranet updates can align staff with organisational objectives.

Human Resources (HR)



The HR Department plays a pivotal role in equipping SANAS with the skilled and capable workforce needed to fulfil its mandate as set out in the Accreditation Act, while remaining responsive to the evolving needs and expectations of its customers. With a firm commitment to driving organisational excellence, HR pursued a range of strategic initiatives during the period under review, each thoughtfully aligned with the various stages of the employee lifecycle, from onboarding through to exit. A comprehensive account of the HR Department's activities for the year under review is provided in Part D: Human Resources.

Institutional Outcomes for Programme 2

- Organisational sustainability
- Competitiveness of South Africa's enterprises

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Organisation sustainability	Increased awareness of SANAS	Number of stakeholder engagements undertaken	100% of the planned activities within the approved Annual Stakeholder Engagement Plan were rolled out	100% of the approved and planned annual stakeholder engagements were successfully rolled out	12 stakeholder engagements undertaken	Annual target overachieved 39 stakeholder engagements were held across all 3 planned intervention areas	27 stakeholder engagements	SANAS hosted separate accreditation programme specific workshops and participated in additional conferences and exhibitions beyond what was planned
Organisation sustainability	Optimally staffed SANAS	Percentage of vacancy rate of the total funded positions	All quarterly targets were achieved, resulting in an average vacancy rate of 2,9% (3.9% + 2.6% + 2.6% + 2.6% / 4 = 2.9% on average)	All quarterly targets were achieved, resulting in an average vacancy rate of 2,3% (2.6% + 2.6% + 2.6% + 1.3% / 4 = 2.3% on average)	A maximum of 5% vacancy rate of the total funded positions	Annual target achieved An average vacancy rate of 1.3% was realised throughout the financial year	Not applicable	Not applicable
Contribution to government's developmental and transformational agenda	Increased job opportunities	Number of direct job placements through the provision of work experience (internship programme)	New indicator	New indicator	4 direct placements	Annual target achieved 4 interns were appointed and placed	Not applicable	Not applicable

Linking Performance with Budgets

Programme	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	8,882	28,661	-19,779	13,544	14,423	-878
Total	8,882	28,661	-19,779	13,544	14,423	-878

Strategy to Overcome Areas of Underperformance

Not applicable, as all planned targets were achieved.

Changes to Planned Targets

There were no changes to the annual targets planned for the 2025/2026 financial year.

3.3 PROGRAMME 3: STRATEGY AND DEVELOPMENT



Programme Purpose

The purpose of this programme is to provide effective direction and leadership in developing accreditation programmes in new fields, project development, and KT to the SANAS assessor pool and accreditation clients. These initiatives are all aimed at driving Government's sub-regional, regional and international objectives. Its purpose is also to support South Africa's objective of effective regional integration by playing a leadership role in accreditation development in the SADC region and the African continent. Furthermore, the strategic planning and organisational performance monitoring and reporting functions are also housed within Programme 3.

Description of the Programme

The sub-programmes that fall under this programme include KT and New Programme Development.

South African National Accreditation System

Knowledge Transfer



The core function of the Knowledge Transfer Department (KTD) is to provide Conformity Assessment Field (CAF) accreditation-related courses for the benefit of SANAS personnel, SANAS assessors, potential clients, and accredited clients, nationally and internationally.

SANAS courses are based on the International Organisation for Standardisation (ISO), the International Electrotechnical Commission (IEC), South African National Standards (SANS), and normative documents. In addition to the existing scope of courses, KTD continually develops new courses in response to developments within the CAF and client demand. The courses are offered through three platforms: contact courses, live virtual courses, and hybrid contact-virtual courses. The knowledge gained from the courses serves as a foundation for personnel of SANAS clients to understand and implement accreditation requirements in the following SANAS accreditation fields:

- Testing laboratories: medical, chemistry, microbiology, hydrobiology, mechanical food testing, veterinary, pharmaceutical, blood transfusion and civil engineering fields.
- Calibration laboratories: mass, volume, time, and frequency and radiofrequency fields.
- Voluntary and regulated inspection bodies: occupational hygiene, medical devices, lifts, escalators, major hazardous installations, gas test stations and pressure vessels fields.
- Certification bodies: product and management system certification fields.
- B-BBEE rating agencies: B-BBEE codes of practice and sector charters.

During the period under review, KTD has continued to successfully provide training services within SANAS, nationally and internationally, thus directly and indirectly contributing towards the achievement of SANAS objectives as follows:

- The expansion and demographic transformation of the SANAS assessor pool.
- Training of newly appointed SANAS personnel.
- Contribution towards SANAS financial sustainability. This was achieved while keeping training fees unchanged for the past four years to ensure the accessibility of training services for SMEs and start-up enterprises.

During the period under review, KTD conducted a total of 87 courses, comprising 75 contact courses, 8 virtual live courses, 1 SANAS personnel course, and 3 assessor courses. A total of 1,267 delegates, comprising 1,081 contact-course delegates, 132 virtual live-course delegates, 10 SANAS personnel, and 44 assessors, attended the courses. Contact courses were conducted at SANAS offices, in various provinces, and at company premises, including in Malawi. VLCs have enabled online training services for delegates from the SADC countries.

The customer satisfaction index for both internally and externally provided courses remained at 97%. The department's success in delivering the above services is credited to the dedication, competence, experience and professionalism of the KTD course facilitators and training coordinators.

New Programme Development



Mr. Tumelo Ledimo
Project Manager Research
& Development

Biobanking (ISO 20387:2018)

During the year under review, the draft technical requirements for a biobank in accordance with ISO 20387 were developed through the working group meetings hosted. Furthermore, nine potential technical assessors were sourced. These potential assessors will be trained during the next financial year.

South Africa has Biobanks in academia, the private sector, and the public sector. In the public sector, the main players are the National Health Laboratory Service (NHLS), the South African National Biodiversity Institute (SANBI) and the South African National Parks (SANParks). Accreditation of biological material and associated data to ISO 20387 involves an independent, unbiased assessment of the biobank facility to determine technical competence, impartiality and consistent operation. Biobanks play a vital role in scientific studies, for example, research on diseases associated with a specific analyte in the blood and more. The Biobank's accreditation to ISO 20387:2018 will positively impact the future of researchers and the reliability of biological and associated materials.

Technical Documentation Review

During the year under review, SANAS conducted a feasibility study on the technical documentation review of medical devices and In Vitro Diagnostics (IVDs). Furthermore, the first draft of the technical documentation has been completed and will be further developed by the working group. SANAS held engagement meetings with the South African Health Products Regulatory Authority (SAHPRA) to develop the medical device certification scheme in line with the requirements of ISO/IEC 17067 (conformity assessment – fundamentals of product certification) and the guidelines for product schemes.

Medical devices and IVDs have improved the treatment of many medical conditions. Despite their benefits, the use of devices can lead to unintended incidents, potentially resulting in unnecessary harm, injury or complications to the patient. For this reason, the regulations for medical devices and IVDs are important in an endeavour to promote safety and improve quality of life. The accreditation of the CAB for technical dossier review is therefore crucial in supporting the quality, safety, and performance of medical devices and IVDs.

Institutional Outcomes for Programme 3

- Government achieving policy objectives (health, safety, environment and regional integration)

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Strategy and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Government achieving policy objectives (regional integration, health, safety and environment)	Acceptance of conformity assessment results	Number of new accreditation programmes	Multiple workshops held in collaboration with Seda focused on the promotion and rollout of the Business Incubators and Accelerators Programme	The new accreditation programme was initiated in collaboration with SAHPRA	Draft technical requirements developed	Annual target achieved The draft technical requirements were developed	Not applicable	Not applicable
	Acceptance of conformity assessment results	Number of new accreditation programmes	Following stakeholder engagements and research, the Feasibility Study Report on the Biobank Programme was developed	Following approval of the Biobank Feasibility Study Report and stakeholder engagements, the Biobank Working Group was established	Technical assessors sourced for the Biobank Programme	Annual target achieved Nine technical assessors were sourced	Not applicable	Not applicable
	Acceptance of conformity assessment results	Number of relevant initiatives of the PAQI structures participated in	SANAS participated in all 4 relevant initiatives of the PAQI structures, as planned	SANAS participated in all 4 relevant initiatives of the PAQI structures, as planned	Participation in 4 relevant initiatives of the PAQI structures, focused on reducing the technical barriers to trade within the African Continental Free Trade Area	Annual target achieved SANAS participated in all 4 relevant initiatives of the PAQI structures, as planned	Not applicable	Not applicable

Programme: Strategy and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Government achieving policy objectives (regional integration, health, safety and environment)	Increase in SANAS main scopes	Number of accreditation scopes increased	New indicator	New indicator	1 main scope	Annual target achieved Approval for 1 main scope obtained from AFRAC (validation and verification body)	Not applicable	Not applicable
Government achieving policy objectives (regional integration, health, safety and environment)	Increase in SANAS sub-scopes	Number of accreditation sub-scopes increased	New indicator	New indicator	1 sub-scope	Annual target achieved Approval for 1 sub-scope obtained from AFRAC (Green House Gases)	Not applicable	Not applicable

South African National Accreditation System

Linking Performance with Budgets

Programme	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategy and Development	7,654	5,044	2,610	6,697	4,538	2,158
Total	7,654	5,044	2,610	6,697	4,538	2,158

Strategy to Overcome Areas of Underperformance

Not applicable, as all planned targets were achieved.

Changes to Planned Targets

There were no changes to the annual targets planned for the 2025/2026 financial year.

3.4 PROGRAMME 4: ACCREDITATION PROVISION



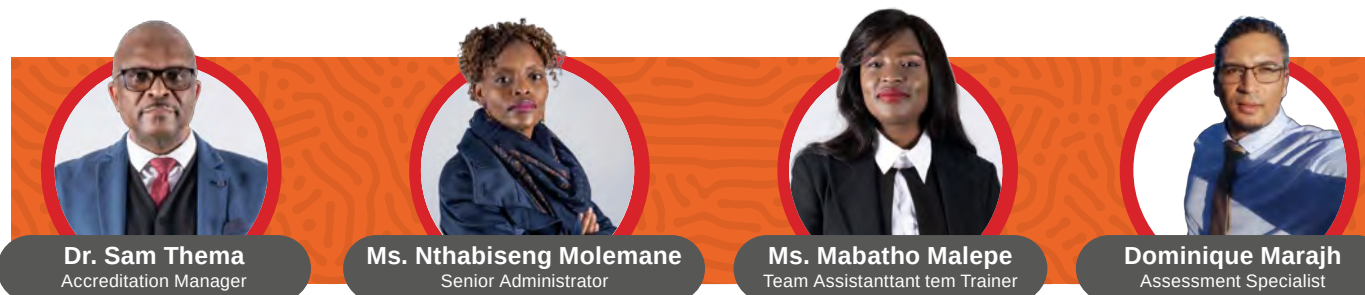
Purpose

The purpose of this programme is to provide, manage and maintain accreditation services for new and existing clients in both the voluntary and regulatory domains.

Description of the Programme

This programme oversees the accreditation of both new and existing clients in accordance with relevant legislation and international best practices. It plays a critical role in ensuring that the services provided by accredited organisations are accessible to South African industry and regulatory bodies. The programme encompasses a wide range of sectors, including general testing laboratories, medical laboratories, blood transfusion services, veterinary laboratories, Good Clinical Practice (GCP) facilities, pharmaceutical laboratories, forensic laboratories, certification bodies, mechanical and physical testing laboratories, calibration laboratories, and repair and verification bodies. It also includes B-BBEE rating agencies. In addition, SANAS grants compliance recognition to facilities operating under GLP in accordance with OECD requirements.

CALIBRATION PROGRAMME



Dr. Sam Thema
Accreditation Manager

Ms. Nthabiseng Molemane
Senior Administrator

Ms. Mabatho Malepe
Team Assistant/Team Trainer

Dominique Marajh
Assessment Specialist

The calibration programme comprises three accreditation schemes: Calibration Laboratories, Reference Material Producers (RMPs), and Proficiency Testing Providers (PTPs).

Currently, the applicable MRAs include the arrangement between ILAC, AFRAC and SADCA, which covers Calibration Laboratories. In addition, the MRA between ILAC and AFRAC covers PTPs and RMPs.

Importance of SANAS Accredited Calibration Laboratories

Their services are underpinned by key sectors such as manufacturing, mining, healthcare, environmental monitoring, and law enforcement.

Through accreditation in accordance with ISO/IEC 17025:2017 standard, accredited calibration laboratories support industrial productivity, regulatory compliance, public safety, environmental protection, and fair trade by ensuring that measuring instruments perform accurately and consistently.

Through MRAs with ILAC, AFRAC, and SADCA, calibration certificates issued by SANAS-accredited laboratories gain international acceptance, thereby facilitating exports, reducing technical trade barriers, and enhancing global confidence in South African measurements and products.

Status of SANAS-Accredited Calibration Laboratories

There are currently 222 accredited calibration laboratories across several industries. This reflects an average growth of approximately 9% compared to the previous year, demonstrating the increasing demand for reliable, traceable, and internationally recognised calibration services in South Africa. The growth further highlights the expanding role of accredited calibration laboratories in supporting regulatory compliance, industrial competitiveness, and confidence in measurement results across various sectors of the economy.

Highlights – Calibration Laboratories

During the reviewed period, members of the calibration programme continued to actively participate in AFRAC activities. This involvement contributed to strengthening regional accreditation cooperation, harmonising accreditation practices, and enhancing technical competence across the African accreditation community.

During the same period, members of the calibration programme also participated in ILAC activities through various working groups, task forces, and committees. This participation strengthened international collaboration, supported the development of accreditation policies and technical guidance, and reinforced SANAS' strategic positioning within regional and global accreditation structures.

Importance of SANAS-Accredited Reference Material Producers (RMPs)

Currently, SANAS-accredited RMPs are primarily active in the following sectors: coal, minerals, metals and ores, gases, food and food products.

Through accreditation in accordance with the ISO 17034:2016 standard, accredited RMPs. These accredited RMPs play a critical role in supporting measurement traceability, method validation, quality control and proficiency testing schemes.

Status of SANAS-Accredited RMPs

Currently, seven accredited facilities are providing this service in South Africa, covering the following: various minerals serving the mining industry, reference gases for chemical manufacturing and pollution monitoring, reference materials used for the legal traceability for blood alcohol measurement purposes, reference materials used in the food industry, coal and coal ash and reference materials in minerals and metals.

Importance of SANAS-Accredited Proficiency Testing Providers (PTPs)

SANAS-accredited PTPs, through accreditation in accordance with the ISO/IEC 17043 standard, play a critical role in strengthening confidence in laboratory and conformity assessment results across industries. Accreditation of PTPs to ISO/IEC 17043 enables laboratories to demonstrate their technical competence and ability to produce valid and reliable results. Regulators and industry gain confidence in laboratories' ability to produce accurate and traceable results. PTP participation assists laboratories in identifying method deficiencies, staff competency and measurement bias or systematic errors.

Status of SANAS-Accredited PTPs

Currently, there are 15 SANAS-accredited PTPs. Approximately 50% of the accredited PTPs operate within the medical and clinical testing environment, while the remaining providers are active in sectors including coal, water, food, forensic science and minerals and metals.

These accredited PTPs play a vital role in the continual monitoring of laboratory performance and in strengthening confidence in testing and calibration results across multiple sectors of the economy.

Highlights - PTPs

The transition to the new version of ISO/IEC 17043:2023 standard is currently underway within the proficiency testing sector. Seven of fifteen accredited PTPs, representing approximately 47%, have been assessed against ISO/IEC 17043:2023 and have successfully completed the transition process.

Eight of fifteen PTPs, representing approximately 53%, have already been assessed against the 2023 version of the standard. Their transition processes are currently at an advanced stage and nearing finalisation, including activities such as closure of corrective actions and pending final accreditation decisions.

GENERAL TESTING LABORATORIES



Mr. Shadrack Phophi
Accreditation Manager



Ms. Kenalebeng Moirapula
Assessment Specialist



Ms. Rebecca Ramabulane
Assessment Specialist



Ms. Busisiwe Hlongwane
Team Assistant



Ms. Kgomotso Masemola
Senior Administrator



Mr. Lesley Lifhiga
Senior Administrator



Ms. Senelisiwe Ngwenya
Senior Administrator

Testing Programme

Testing laboratories operate largely unobtrusively within modern society; however, in their absence, regulatory systems, commercial activities, and public safety mechanisms would rapidly deteriorate. Their significance spans government, industry, and the public sector, with profound implications for health, environmental protection, and economic stability.

Importance for Government

Testing laboratories are essential tools for enforcement and decision-making.

- **Regulatory compliance:** Governments rely on labs to verify that products meet legal standards (e.g., food safety, pharmaceuticals, chemicals).
- **Policy support:** Data generated by laboratories informs evidence-based policies in areas like pollution control, public health, and agriculture.
- **Market surveillance:** Labs detect substandard or counterfeit goods, protecting consumers and maintaining fair markets.
- **International credibility:** Accredited labs support compliance with global frameworks like OECD and ISO, strengthening trust in exports.

Importance for the Public

For everyday citizens, testing laboratories directly affect safety and quality of life.

- **Health protection:** Ensuring food, water, and medicines are safe.
- **Consumer confidence:** Verified testing builds trust in products (e.g., goods, cosmetics).
- **Transparency:** Independent lab results provide objective evidence, reducing misinformation.

Importance for Industry

Industries depend heavily on laboratory testing for competitiveness and compliance.

- **Quality control:** Routine testing ensures products meet specifications and customer expectations.
- **Regulatory approval:** Industries need validated test results to bring products to market.
- **Trade facilitation:** Accredited results (e.g., under Global ACI frameworks) are globally accepted, reducing duplication of testing.

Importance in the Environment

Environmental protection is impossible without laboratory testing.

- **Pollution monitoring:** Air, water, and soil testing detect contaminants and ensure compliance with limits.
- **Risk assessment:** Labs identify hazardous substances and their impacts on ecosystems.
- **Climate-related studies:** Data on emissions and pollutants inform environmental strategies.

Importance in the Economy

Laboratories are critical enablers of economic stability and growth.

- **Trade and exports:** Verified test results allow products to access international markets.
- **Standardisation:** Harmonised testing reduces technical trade barriers.

Current Status

At present, the total number of accredited testing laboratories across various sectors stands at 322. This reflects only modest growth, despite the 22 new accreditations awarded during the financial year. The limited net increase is primarily attributable to a high number of laboratory withdrawals recorded during the period under review, all of which were voluntary.

Nevertheless, the programme is expected to expand in the coming year, as indicated by the 27 new applications currently being processed. It should be noted, however, that the growth of the testing programme is largely horizontal rather than vertical, driven mainly by scope extensions rather than by the addition of new laboratories. This pattern of horizontal growth supports the programme's long-term sustainability.

Highlights

SANAS underwent a peer evaluation by the continental body, AFRAC, and the outcome affirms the robustness and reliability of its programs, including testing. This positive outcome reinforces the confidence and trust that stakeholders have placed in SANAS.

During the year under review, the programme successfully facilitated the transition of accredited laboratories based in Kenya and Nigeria to their respective national accreditation bodies, namely the Kenya Accreditation Service (KENAS) and the NiNAS. This initiative supports sister accreditation bodies on the continent and aligns with the principles of the Global ACI crossfrontier guidance document, which discourages competition among accreditation bodies. Furthermore, this transition will allow SANAS assessment teams to concentrate more effectively on domestic activities and priorities.

Assessor Pool

The subprogramme currently comprises 94 qualified assessors, of whom 76 are from previously disadvantaged individual (PDI) groups, representing 81% of the assessor pool. The programme has therefore successfully achieved the established transformation target for assessor representation. During the year under review, an additional 5 candidates were trained and are presently undergoing the assessor qualification process.

GLP Monitoring Authority

The GLP-compliant test facilities participating in the GLP subprogramme conduct nonclinical health and environmental studies on behalf of research organisations seeking to submit such data to national regulatory authorities. These studies support the evaluation of the health and environmental safety of chemicals and chemical products. The OECD Principles of GLP provide a standardised and internationally recognised framework for the conduct of nonclinical safety studies. Compliance with these principles ensures the quality, reliability, and integrity of the data generated, thereby facilitating regulatory acceptance of test results and safeguarding human health and the environment.

Current Status

The GLP subprogramme has granted compliance recognition to 22 test facilities across the continent. During the period under review, two additional test facilities were awarded GLP-compliance recognition, representing approximately 10% growth. The anticipated level of growth, however, did not materialise despite the publication of regulations by the Department of Agriculture, Land Reform and Rural Development (DALRRD) mandating that certain studies be conducted in accordance with the OECD Principles of GLP. Notwithstanding this outcome, there is optimism that uptake of GLP-compliance will improve in the coming years.

Presently, the GLP subprogramme operates across three African regions, namely Southern, Eastern, and Western Africa. South Africa remains the only African country with an established GLP-compliant Monitoring Authority. The mandate of the programme is to monitor and assess compliance with the OECD GLP Principles by test facilities that conduct nonclinical health and environmental safety studies.

Highlights

The subprogramme was evaluated by the OECD Working Party during the final quarter of the financial year under review. These onsite evaluations (OSEs) are conducted at ten-year intervals to verify that a member country's Compliance Monitoring Programme is appropriately structured and operated in accordance with the OECD Council Acts, and that inspections are conducted in a manner equivalent to those of other OECD member countries. The evaluation report is scheduled to be tabled before the Working Party on GLP in the forthcoming year for review and ratification.

Inspector Pool

During the financial year under review, three additional inspectors were successfully qualified, bringing the total to five. Plans are in place to appoint at least two more inspectors in the coming years to support capacity building and ensure the programme's long-term sustainability.

INSPECTION PROGRAMME

Inspection Bodies



The Inspection Programme plays a vital role in the regulatory space, more especially within the Health and Safety environment, where it assists the regulator in achieving its compliance through Approved Inspection Authorities (AIAs), which are SANAS-accredited Inspection Bodies. It is also one of the fastest-growing programmes at SANAS, even though the Department of Mineral Resources withdrew 22 Energy Performance Certificate (EPC) CABs as a regulator. In the financial year in question, despite 11 withdrawals, the inspection programme increased the number of accredited CABS from 272 to 275. This signifies a 1.1% improvement, with 22 new applications still in various stages, of which 2 are already accredited in the new financial year (April 2026), and 5 are in their initial assessment stage (final accreditation stage). With other regulators making it mandatory for providers of conformity assessment services to be accredited before obtaining approval to operate in their regulated spaces, to minimise risk in those areas, we are optimistic that the Inspection programme will see growth in no time.

New Accredited Facilities

Even though there were 11 withdrawals within the 2025/2026 financial year, the Inspection Programme currently comprises 275 accredited facilities, following the successful accreditation of 3 new CABs during the reporting period. Growth within the programme continues to be driven by key technical areas, notably Pressure Equipment/Laboratory Vessels Under Pressure (LVUP), Occupational Hygiene (OH), and Non-Destructive Testing/Examination (NDE), which account for most of the newly accredited facilities.

Highlights for Inspection Programme

Among the highlights of the inspection programme are:

- Pro-active preparation for future regulatory and standardisation developments, the programme has initiated planning for the ISO/IEC 17020:2026, which was published at the end of March 2026. This proactive approach aims to ensure readiness and seamless transition for both SANAS and accredited bodies.
- Furthermore, progress has been made in the development of a new technical requirement document on Steel Structures, which has been approved by the Sector Technical Committee (STC). The appointed working group has already convened multiple sessions and is making steady progress.
- The Inspection team is in the final stages of completing TR86 for Gas Test Stations, developed in response to amendments to the SANS 1825 standard, ensuring continued alignment with national regulatory requirements.
- Improvement of the Inspection PDI stats, which are currently sitting at 44%.

Assessor Pool in the Inspection Programme

SANAS largely uses external assessors as part of assessment teams that help it achieve its mandate. The inspection programme currently has 82 assessors across various fields. The programme is prioritising the training and appointment of more black assessors. In this regard, the programme has increased the percentage of PDIs from 37% to 44% by qualifying several PDIs, with 09 PDIs trained in July 2025 still qualified. The qualification of trained technical assessors will improve the scope of activities, such as NDT, OH, explosives and electrical, that are expanding within the inspection programme.

LEGAL METROLOGY



Mr. Thabo Chesalokile
Accreditation Manager



Mr. Letoke Mahlase
Assessment Specialist



Ms. Rorisang Rankune
Team Assistant



Ms. Lerato Marabe
Senior Administrator



Ms. Phumla Motlhale
Senior Administrator

Verification and Repair Bodies

Legal Metrology encompasses the legislative, administrative, and technical procedures established by public authorities – such as the dtic and related bodies – and implemented by designated regulatory entities, such as the National Regulator for Compulsory Specifications (NRCS) and SANAS. These measures are designed to ensure consumer protection.

South African National Accreditation System

Through consultation with relevant stakeholders, the dtic has developed the necessary legislation and technical regulations, which are enforced via the NRCS. The implementation of these requirements is guided by the Legal Metrology Act, 2014 (Act No. 09 of 2014), approved technical regulations, the Accreditation Act, and other applicable accreditation standards.

The primary focus is to ensure the accuracy, quality, and reliability of measurements related to trade, health, safety, and environmental protection. This function has become increasingly vital in safeguarding consumers from inaccurate or deceptive measurements. In a globalised economy where countries trade a wide range of goods, a robust legal metrology infrastructure is essential.

Growth in the Verification and Repair Bodies

During the year under review, the number of accredited verification bodies declined from 130 in 2024/2025 to 120. Similarly, the number of repair bodies decreased marginally, from 65 to 64, over the same period. The most frequently cited reasons for the voluntary withdrawal of accreditation were increasing operational costs and reduced business opportunities. The significant difference between the numbers of verification bodies and repair bodies can largely be explained by most CABs' tendency to offer only one of these services to limit operational expenses.

MECHANICAL AND PHYSICAL TESTING PROGRAMME

Mechanical and Physical Testing (M&P Testing)

SANAS accreditation under the M&P Testing Programme provides significant value to the industry. Accredited laboratories play a critical role in ensuring that products and services in sectors such as automotive, engineering, and manufacturing meet the required safety and performance standards. This is especially important in supporting our mandate to safeguard consumer safety and protection.

In addition, SANAS-accredited laboratories gain international recognition, as SANAS has been a signatory to the Global ACI MRAs since 1992.

Furthermore, the work of accredited laboratories contributes meaningfully to economic growth and job creation, supporting government objectives. SANAS accreditation also facilitates regional and international trade through participation in the AFRAC and Global ACI MRAs.

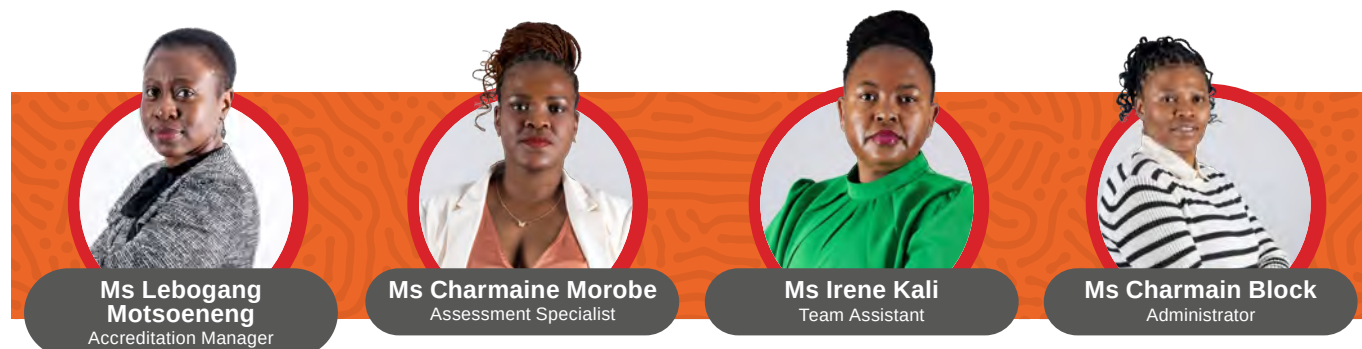
Growth in the M&P Testing Programme

During the year under review, the M&P Testing Programme received several applications from a diverse range of economic sectors, including metals, plastics, fibre and polymer, civil engineering, and electrical and electronic appliances. This is an encouraging development, as the sustainability and growth of these sectors heavily rely on internationally recognised accreditation. Such accreditation plays a crucial role in facilitating the global acceptance of testing results, thereby reducing TBTs and supporting the seamless exchange of goods and services between South Africa and its international trading partners.

Assessor Pool

SANAS remains committed to transforming its assessor pool to better reflect the country's demographics. Currently, over 60% of assessors in both the M&P Testing Programme and Legal Metrology are drawn from PDIs. In addition to promoting demographic diversity, SANAS is also addressing generational transformation by introducing young professionals into the accreditation system. During the year under review, we successfully qualified two team leaders and two technical assessors from previously disadvantaged backgrounds.

PHARMACEUTICAL LABORATORIES



Ms Lebogang Motsoeneng
Accreditation Manager

Ms Charmaine Morobe
Assessment Specialist

Ms Irene Kali
Team Assistant

Ms Charmain Block
Administrator

Pharmaceutical laboratory accreditation provides critical assurance that testing results are accurate, reliable, and internationally accepted. This is essential for protecting patient safety and maintaining public trust. Laboratories accredited to ISO/IEC 17025: 2017 and complying with regulatory requirements demonstrate technical competence and robust quality systems. Accreditation facilitates regulatory compliance, reduces product recalls, and enables the global acceptance of test results, thereby supporting market access and strengthening confidence. The number of accredited laboratories under the pharmaceutical programme remained at six, and SANAS continues to participate in the committee dealing with matters related to Cannabis and Hemp, namely the South African Bureau of Standards Technical Committee (SABS TC) 0041.

Blood Transfusion Facilities

Although the programme recorded a decrease in the number of accredited facilities from 173 to 169 during the 2025/2026 financial year, this is attributable to the closure of certain donor sites and the relocation of blood banks. Notwithstanding this reduction, all Blood Transfusion Service (BTS) facilities were successfully transitioned to the ISO 15189:2022 standard.

The accreditation of blood transfusion service facilities remains critical to ensuring the safety, quality, and reliability of the entire blood supply chain, from donor selection and collection through testing, storage, and the issuance of blood to physicians. Adhering to ISO 15189:2022 demonstrates that accredited facilities maintain robust quality management systems, technical competence, and stringent process controls that directly affect patient care. Furthermore, accreditation enhances traceability and mitigates the risk of transfusion-transmitted infections. Ultimately, it strengthens public and clinical confidence in transfusion services, supports consistent service delivery, and drives continuous improvement within the healthcare system.

Veterinary Laboratories

Accredited veterinary laboratories remained stable at 31 during the reporting period, with applications gradually being received from provincial laboratories. While no significant growth is anticipated in the forthcoming financial year, additional applications from provincial facilities are expected, given the critical role accreditation plays in strengthening South Africa's national capacity to respond to and manage disease outbreaks.

Veterinary laboratories continue to play a pivotal role in safeguarding animal health, food security, and the broader economy, particularly considering the major disease outbreaks experienced during the 2025/2026 financial year. South Africa faced one of its most severe outbreaks of Foot and Mouth Disease, which spread across several provinces, infected large numbers of animals, and significantly disrupted trade and agricultural productivity. At the same time, outbreaks of Avian Influenza impacted poultry operations, resulting in substantial livestock losses and increased biosecurity risks. In this context, veterinary laboratories are essential for early detection, accurate diagnosis, surveillance, and ongoing outbreak monitoring. These functions enable the timely implementation of

South African National Accreditation System

control measures such as vaccination, quarantine, and movement restrictions. In addition, laboratories support vaccine development and ensure compliance with international trade requirements. Strengthening veterinary laboratory capacity, therefore, remains critical to enhancing national biosecurity, protecting livelihoods, and building resilience against emerging and re-emerging animal diseases.

In recognition of the sector's importance, continued collaboration with the DALRRD (Animal Health) has been maintained to ensure that all veterinary laboratories (both private and provincial) conducting testing for controlled and notifiable diseases are accredited. SANAS also works closely with the Veterinary Public Health Section to support the monitoring of meat and meat products. Furthermore, ongoing engagement with the South African Veterinary Council helps ensure that veterinary professionals adhere to established ethical standards. A key highlight of the programme was participation in an information session on the importance of veterinary laboratories in supporting both imports and exports.

Forensic Laboratories

The number of accredited Forensic Science Laboratories increased slightly to four in the reporting period. This included the accreditation of one tertiary institute for Toxicology testing. Accreditation strengthens the credibility of forensic results in court, reduces the risk of analytical errors, and ensures proper evidence handling and chain-of-custody procedures. It also promotes consistency, transparency, and international recognition of results, while supporting continuous improvement. Ultimately, accredited forensic laboratories enhance public confidence in the criminal justice system by ensuring that decisions are based on accurate, impartial, and consistent results.

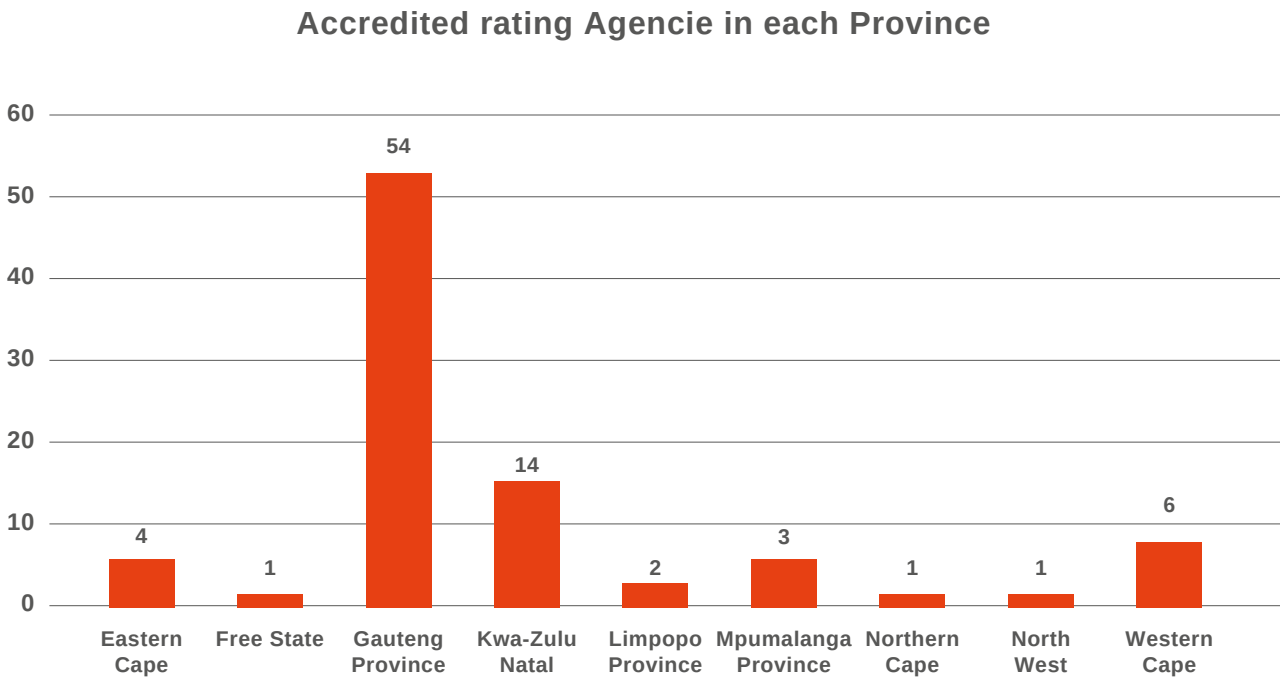
BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) VERIFICATION AGENCIES



The B-BBEE programme, through SANAS accreditation, ensures reliable B-BBEE certificates and scorecards, which are crucial for government and private-sector partnerships. With 86 accredited rating agencies, including three new additions and four withdrawals, the programme is stable with minimal changes. Notably, 72% of assessors are black, promoting transformation.

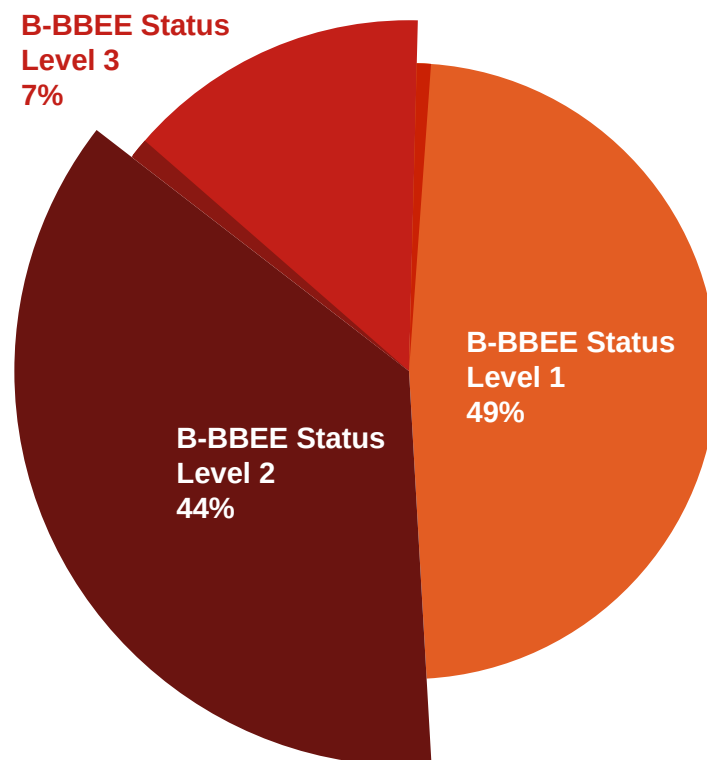
South African National Accreditation System

The chart below shows the number of accredited rating agencies in the different provinces:



The B-BBEE Rating Agencies comply with Statement 005 of the B-BBEE Act (No. 53 of 2003) by demonstrating transformation and are rated as contributors to B-BBEE (Levels 1 to 3). A significant number of SANAS-accredited B-BBEE rating agencies are at least 51% black-owned. The pie chart below demonstrates the B-BBEE Status Level achieved by the 86 B-BBEE rating agencies.

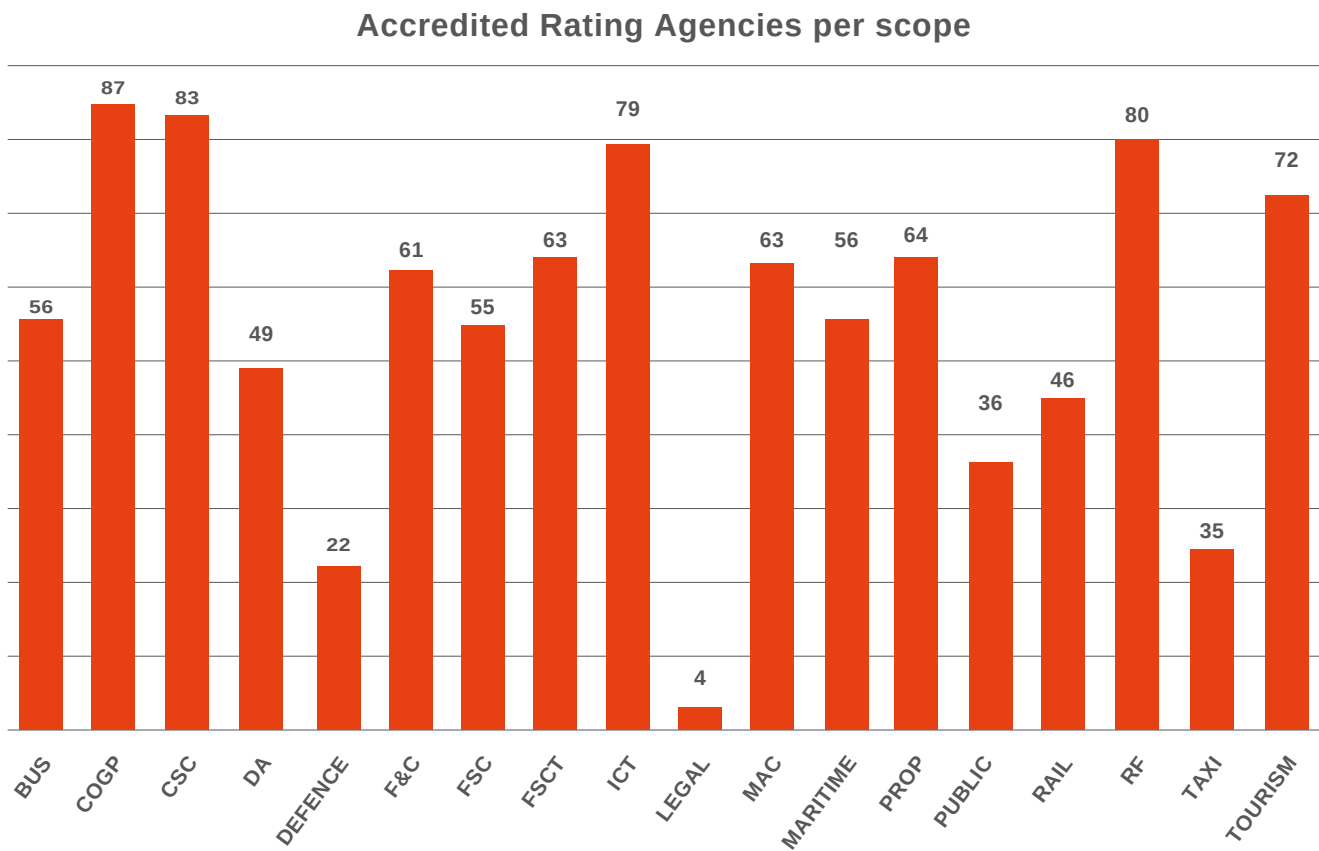
South African National Accreditation System



The Sector Specific Codes were gradually introduced under Section 9(1) of the B-BBEE Act (No. 53 of 2003). These sector codes aim to ensure that the transformation requirements are specific to the applicable sector. The significant number of SANAS-accredited B-BBEE rating agencies that have extended their scope of accreditation to include the sector-specific codes of good practice ensures sufficient capacity to serve the industry.

South African National Accreditation System

The chart below shows the capacity of available accredited rating agencies for specific codes:



South African National Accreditation System

MEDICAL LABORATORIES



Ms Barbara Mokgethwa
Accreditation Manager



Ms Tati Kubheka
Assessment Specialist



Ms Movha Morokane
Assessment Specialist



Ms Dimakatso Nyofane
Team Assistant



Ms Shiela Moeketsi
Team Assistant



Ms Bongeka Gwalisa
Senior Administrator



Ms Morongwa Moshaba
Senior Administrator



Ms Kgomotso Ntombela
Administrator

In the 2025/2026 financial year, the medical programme continued to grow from 564 to 616 laboratories. There has been a decline in the number of accreditation withdrawals, with only 6 up to the end of the financial year. These were mainly due to laboratories moving through to their local accreditation bodies. The programme has seen increased demand for accreditation, especially for point-of-care testing. SANAS has recently received 20 applications for Point-of-Care Testing (POCT).

Accreditation of new medical laboratories is increasing due to demand for accreditation both in South Africa and across borders, especially in Uganda, as well as among private laboratories in South Africa. At the moment, SANAS has accredited a total of 95 laboratories outside South Africa. It is envisaged that as soon as those countries establish their own internationally recognised national accreditation bodies, SANAS will surrender the laboratories following a mutually agreed process.

The programme has a total of 151 active assessors, 76% of whom are PDIs. The programme has exceeded the set targets for PDIs. The training of Assessors is progressing well, as SANAS has qualified 90% of those trained in the previous financial year.

The medical programme has achieved 100% transition to ISO 15189:2022. This is the standard used for the accreditation of Medical Laboratories, POCT facilities, and BTS Laboratories. SANAS is actively involved in the ISO TC212 working group responsible for the revision and development of standards for Medical Laboratories.

CERTIFICATION BODIES



Mr. John Ndalamo
Accreditation Manager



Ms. Mookho Morienyane
Assessment Specialist



Ms Irene Kali
Team Assistant



Ms Charmain Block
Administrator

Accredited certification is increasingly being recognised as a valuable tool across a wide range of policy areas, including better regulation, good governance, fair markets, and public confidence. This is particularly evident in areas as diverse as healthcare, food production, energy supply, climate change, personal safety, and recently, information security management systems. SANAS continues to develop and launch market-relevant accreditation schemes for modern management systems and risk-based systems to achieve business sustainability. This includes management system standards such as ISO 13485, which has increasingly become an important differentiator for organisations seeking to improve their marketability in the medical device sector. On the one hand, the primary objective of ISO 13485 certification is to facilitate harmonised Medical Devices Quality Management System (QMS) requirements for regulatory purposes within the medical device sector. On the other hand, companies also value ISO 13485 certification, as it increases the confidence of patients and other stakeholders by implicitly promising quality, consistency, and continuous improvement.

This sub-programme also proactively manages the accreditation of management system certification schemes in accordance with ISO/IEC 17021-1, which includes the following:

- Quality Management Systems (ISO 9001);
- Environmental Management Systems (ISO 14001);
- Occupational Health and Safety Management (ISO 45001);
- Food Safety Management Systems (ISO 22000);
- Energy Management Systems (ISO 50001);
- Road Transport Management Systems (SANS 1395-1);
- Information Security Management Systems (ISO/IEC 27001); and
- Asset Management Systems (ISO 55001) – the most recent addition.

South African National Accreditation System

Customer-centricity and brand pride, through strategic leadership, are at the core of the SANAS culture and underpin the development of transitional arrangements for standards in information security management systems, such as ISO/IEC 27001:2022. While SANAS provides accreditation for other certification schemes in line with ISO/IEC 17065 (product certification), ISO/IEC 17024 (personnel certification), ISO 14065 (GHG verification and validation), and ISO/IEC 17029, it continues to establish stakeholder partnerships and regulatory alliances to launch industry-relevant accreditation schemes. This includes climate-change schemes that rely on carbon offset registries such as ICAO CORSIA, all of which support compliance with policies aimed at strengthening the SANAS brand and stakeholder interface. Doing so includes proactively monitoring the internal and external risk landscape and, most importantly, recruiting a diverse pipeline of qualified individuals who represent South African demographics to meet future accreditation needs across various accreditation schemes.

Institutional Outcomes for Programme 4

- Competitiveness of South Africa's enterprises
- Contribution to Government's developmental and transformational agenda
- Government achieving policy objectives (health, safety, environment and regional integration)

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Accreditation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Competitiveness of South Africa's enterprises	Growth in the number of CABs	Number of additional CABs accredited	An additional 150 CABs were accredited	An additional 127 CABs were accredited	90 additional CABs accredited	Annual target overachieved 141 additional CABs were accredited	51 CABs	Higher than expected growth in the number of accredited CABs, especially in the Medical Accreditation Programme
Competitiveness of South Africa's enterprises	Reduced turnaround times	Average number of working days to issue certificates and scopes of accreditation after completion of the approvals process	Certificates and scopes of accreditation were issued within 13 working days on average, after completion of the approval process	Certificates and scopes of accreditation were issued within 13 working days on average, after completion of the approval process	Certificates and scopes of accreditation issued within 13 working days on average, after completion of the approval process	Annual target over-achieved Certificates and scopes of accreditation issued within 9 working days on average, after completion of the approval process	4 working days	Continuous engagement with relevant stakeholders and streamlining processes
Government achieving policy objectives (regional integration, health, safety and environment)	Acceptance of conformity assessment results	Number of engagements undertaken with regulators relying on SANAS accreditation for their conformity assessment needs	SANAS engaged with relevant stakeholders on accreditation requirements in the planned accreditation fields within the regulatory domain	SANAS undertook 6 engagements with relevant regulators	Maintain accreditation services offered to regulators by undertaking at least 4 engagements with relevant regulators	Annual target overachieved SANAS undertook 6 engagements with relevant regulators	2 engagements	During the financial year, opportunities for additional engagements were identified and/or presented themselves, which SANAS responded to

South African National Accreditation System

Programme: Accreditation								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/2025	Planned Annual Target 2025/2026	Actual Achievement 2025/2026	Deviation from Planned Target to Actual Achievement 2025/2026	Reasons for Deviations
Contribution to Government's developmental and transformational agenda	Reduction in "fronting practices"	Number of investigations or unscheduled visits conducted	New indicator	Engagement was undertaken with the B-BBEE Commission and the dtic focused on the Legal Sector Codes	3 investigations or unscheduled visits conducted to address challenges related to "fronting practices"	Annual target overachieved	4 investigations or unscheduled visits	Additional complaints were received, which needed investigation
						7 investigations or unscheduled visits were conducted to address challenges related to "fronting practices"		

Linking Performance with Budgets

Programme	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Accreditation	82,649	89,783	(7,134)	68,946	77,091	(8,147)
Total	82,649	89,783	(7,134)	68,946	77,091	(8,147)

Strategy to Overcome Areas of Underperformance

Not applicable, as all planned targets were achieved.

Changes to Planned Targets

There were no changes to the annual targets planned for the 2025/2026 financial year.

Revenue Collection

Sources of revenue	2025/2026			2024/2025		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Accreditation	113,190	118,610	5,420	97,152	112,487	14,968
Training	9,946	10,304	358	10,919	9,841	(1,077)
Total	123,136	128,914	5,778	108,081	122,688	13,891

The SANAS accreditation fee income consists of annual fees and fees for additional accreditation services. The revenue collection policies for those two categories differ. Annual fees must be paid by 31 May each year. Due to economic constraints, the SANAS customer can apply for a 12-month payment plan to pay off their annual fees. Additional accreditation services require customers to pay in advance of service provision to enable travel arrangements.

Additional accreditation services are invoiced upon request; however, income is recognised only after service delivery. In special circumstances, deviation from the policy is allowed, provided it is kept to a minimum to maintain control over debtors.

Training revenue is generated by charging for participation in courses offered through the KTD. Although payment is usually required at registration, some clients arrange to settle their accounts at a later stage. Certificates are not issued until after receipt of full payment.

South African National Accreditation System

2.4.6 Capital Investment

Capital Investment, Maintenance and Asset Management Plan

SANAS implemented its capital investment plan in line with its strategy. Primarily, capital goods consist of property, plant and equipment and intangible assets.

Infrastructure Projects	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Collection	Budget	Actual Expenditure	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
IT Equipment	866	866	0	4,074	4,074	0
Intangible Assets	0	0	0	519	519	0
Office Equipment	77	77	0	3,603	3,603	0
Total	943	943	0	8,196	8,196	0

The above amounts relate to additions of capital goods in the current and prior year. Capital goods of SANAS are in excellent condition, as evidenced by the consistent disposal and replacement rate. Repairs and maintenance amounted to R780,029 for 2026 (2025: R678,293). Additional expenditure relating to the maintenance of intangible assets has also been recognised in the statement of financial performance. Important to note, SANAS does not separate or prepare a capital budget.







GOVERNANCE INFORMATION

1.	Introduction	84
2.	Portfolio Committee	84
3.	Executive Authority	84
4.	Roles and responsibilities of the Board	84
5.	Board Charter	85
6.	Composition of the Board	85
7.	Meetings attended by Board Members	86
8.	Committees	88
9.	Risk Management	91
10.	Internal Control	91
11.	Internal Audit	92
11.1	Strategic Role and Purpose of Internal Audit	92
11.2	Strategic Positioning and Independence	92
12.	Compliance with Laws and Regulations	92
13.	Fraud And Corruption	93
14.	Minimising Conflict of Interest	93
15.	Code of Conduct	94
16.	Health, Safety and Environmental Issues	94
17.	Company Secretary	94
18.	Corporate Social Investment Overview	94
19.	Audit and Risk Committee Report	95
20.	Broad-Based Black Economic Empowerment (B-Bbee)	96

1. INTRODUCTION

The Board of Directors is committed to sound corporate governance that ensures the interests of SANAS and its stakeholders are paramount. Consequently, SANAS subscribes to the principles of transparency, accountability, and business integrity in all its dealings with stakeholders.

As the custodian of corporate governance, the Board ensures that SANAS endorses the King V Code of Corporate Practices and Conduct and monitors the implementation and compliance through its related committees.

The Board of Directors is cognisant of the benefits of good corporate citizenship and of financial and non-financial performance. It seeks to achieve a balance among integrated economic performance, service delivery, and social and environmental performance.

2. PORTFOLIO COMMITTEE

The Portfolio Committee on Trade, Industry and Competition exercises oversight of SANAS' service delivery performance to enhance economic growth. During the period under review, the company was not invited to appear before the Portfolio Committee.

3. EXECUTIVE AUTHORITY

In terms of Section 6(2)(b) of the Accreditation Act, the Minister of Trade, Industry and Competition is the Executive Authority, as contemplated in Section 52 of the PFMA. The Executive Authority's oversight function is generally informed by the prescripts of the PFMA, which govern and confer oversight powers on the Executive Authority.

Numerous engagements were held with the Executive Authority during the finalisation of the SANAS 2026/27 APP to ensure alignment with the MTDP and the dtic priorities. Furthermore, all SANAS' Quarterly Organisational Performance Reports for the 2025/2026 financial year were timeously submitted to the Executive Authority.

4. ROLES AND RESPONSIBILITIES OF THE BOARD

In addition to the roles and responsibilities that the Board executes in accordance with the prescripts of King V, the Accreditation Act, and the PFMA, it also undertakes the following:

- Approves SANAS' Strategic Plan and APP;
- Monitors the implementation of the plans and approves all budgets;
- Ensures that policies and procedures that provide for effective risk management and internal controls are established and reviewed;
- Recognises the need for establishing and appointing committees to enable it to comply with the PFMA and other legal requirements;
- Determines the composition of committees and amends, develops, and implements any rules, regulations, and procedures, which it may deem necessary;
- Formulates and makes publicly available rules consistent with the provisions of the Accreditation Act, including the form and procedure for applications for accreditation or GLP-compliance, fees applicable to different categories of accreditation or GLP-compliance, and fees for training or other projects undertaken;
- Monitors the proper use of the name, accreditation body logo or accreditation symbol of the SANAS logo, and the regional and international accreditation logos; and
- Approves all permanent executive positions.

Board members undertake to act in the best interests of SANAS. They do this by ensuring adherence to legal standards of conduct, seeking independent advice in connection with their duties in accordance with an agreed procedure, and disclosing real or perceived conflict-related matters to the Board and dealing with them accordingly.

5. BOARD CHARTER

In terms of the Board Charter P08, Governance and Procedures of the SANAS Board and Delegations to the CEO, the Board shall:

- Approve the Strategic Plan and monitor implementation of the Strategic Plan;
- Ensure establishment and review of policies and procedures which provide for effective risk management and internal controls;
- Formulate rules consistent with the provisions of the Act, including:
 - » form and procedure for applications for accreditation
 - » accreditation fees
 - » training fees
 - » proper use of the name, accreditation body logo or accreditation symbol of SANAS
 - » proper use of regional and international logos (e.g., AFRAC, Global ACI);
- Approve all permanent positions of SANAS executives and above;
- Approve all budgets;
- Be responsible for IT governance;
- Appoint the CEO, after consulting the Minister;
- Be responsible for appointing a Board of Appeals; and
- Approve all powers delegated to the CEO and the Board-related committees.

6. COMPOSITION OF THE BOARD

The unitary structure of the Board encourages robust interaction among members of the Board of Directors in the decision-making process on strategy, performance, planning, resource allocation, risk, ethics, and stakeholder communication. Under the Accreditation Act, the Board should consist of no fewer than 10 and no more than 15 members.

The Board, from 1 April 2025 until 30 June 2025, comprised ten members. Upon the expiration of the previous Board's term, the current Board was appointed effective 1 July 2025. The current Board comprises 14 members, all of whom are appointed by the Minister of Trade, Industry and Competition as the Executive Authority of SANAS. There are 12 Non-Executive Directors and two Executive Directors. All Non-Executive Directors are independent of SANAS' management and have no conflicts of interest with SANAS' business.

The Board provides strategic direction and is the legally accountable body for SANAS' daily operations. The performance of the Board members is evaluated annually to ensure their effectiveness and identify areas for improvement. A self-evaluation exercise was conducted during the year under review. The Company Secretary compiled a report. The Board's performance was deemed to be of a high standard.

7. MEETINGS ATTENDED BY BOARD MEMBERS

Name	Designation (i.t.o. Public Entity Board Structure)	Date Appointed	Date Resigned	Date Appointment Period Ended	Area of Expertise	Other Committees or Task Teams (e.g.: Audit Committee / Ministerial Task Team)
Dr Tshenge Demana	Chairperson of the Board Independent Non-Executive Director	1 December 2018	N/A	30 June 2025	Science Strategy Governance Management Drafting Legislation	Human Resources and Remuneration Committee Member
Amb Sadick Jaffer	Independent Non-Executive Director	1 July 2023	N/A	N/A	Investment Promotion and Facilitation	Audit and Risk Committee Member
Mr Sammy Mlangeni	Independent Non-Executive Director	1 December 2018	N/A	30 June 2025	Engineering Aviation Management IT	Member of the Audit and Risk Committee and Information and Communications Technology Strategy Sub-Committee
Dr Sarah Mohlala	Independent Non-Executive Director	1 December 2018	N/A	30 June 2025	Science	Human Resources and Remuneration Committee Member and Audit and Risk Committee Member
Ms Lerato Mothae	Independent Non-Executive Director	1 December 2018	N/A	30 June 2025	Accountancy Finance	Chairperson of the Audit and Risk Committee
Ms Irene Ramafola	Independent Non-Executive Director	1 September 2021	N/A	30 June 2025	Auditing Forensics Finance	Audit and Risk Committee Member
Mr Mpho Phaloane	Executive Director	1 December 2018	N/A	30 June 2025	Engineering Management Accreditation	N/A
Mr Farhad Osman	Executive Director	1 December 2023	N/A	30 June 2025	Strategy Development Performance Management	N/A
Ms Lindi Tlou	Independent Non-Executive Director	1 December 2018	N/A	30 June 2025	Administration Accreditation	Interim Chairperson of the Board Human Resources and Remuneration Committee Member
Dr Tshenge Demana	Chairperson of the Board Independent Non-Executive Director	1 July 2026	N/A	N/A	Science Strategy Governance Management Drafting Legislation	N/A
Ms Lebogang Matlala	Independent Non-Executive Director	1 July 2026	N/A	N/A	Accounting Finance	Chairperson Audit and Risk Committee

South African National Accreditation System

Name	Designation (i.t.o. Public Entity Board Structure)	Date Appointed	Date Resigned	Date Appointment Period Ended	Area of Expertise	Other Committees or Task Teams (e.g.: Audit Committee / Ministerial Task Team)
Ms Anele Vutha	Independent Non-Executive Director	1 July 2026	N/A	N/A	Science	Chairperson Advisory Forum
Ms Nolitha Ntobongwana	Independent Non-Executive Director	1 July 2026	N/A	N/A	Accounting Public Administration Local Government	Human Resources and Remuneration Committee Member
Dr Dharmarai Naicker	Independent Non-Executive Director	1 July 2026	N/A	N/A	Science	Audit and Risk Committee Member Technical Committee Member
Mr John Mazibuko	Independent Non-Executive Director	1 July 2026	N/A	N/A	Science Public Administration Governance	Human Resources and Remuneration Committee Member Audit and Risk Committee Member
Mr Jonas Shai	Executive Director	1 July 2026	N/A	N/A	Finance Accounting	N/A
Ms Nandi Malumbazo	Independent Non-Executive Director	1 July 2026	N/A	N/A	Science Engineering	Human Resources and Remuneration Committee Member Technical Committee Member
Mr Farhad Osman	Executive Director	1 July 2026	N/A	N/A	Strategy Development	N/A
Mr Bruce Gordon	Independent Non-Executive Director	1 July 2026	N/A	N/A	Accounting Finance	Audit and Risk Committee Member
Dr Pulane Molokwane	Independent Non-Executive Director	1 July 2026	N/A	N/A	Nuclear Physicist Water and Environmental Engineering Corporate Governance	
Ms Nomvula Mhlari	Independent Non-Executive Director	1 July 2026	N/A	N/A	Governance Political Science Information Studies	Chairperson Human Resources and Remuneration Committee
Ms Silindile Ndwandwe	Independent Non-Executive Director	1 July 2026	N/A	N/A	Chemistry Science	Chairperson Technical Committee Human Resources and Remuneration Committee Member
Mr Jacob Maphutha	Independent Non-Executive Director	1 October 2026	N/A	N/A	Governance Public Administration	N/A

8. COMMITTEES

The Board of Directors formally delegates management duties through structures that assign responsibility and accountability for operations to the Executive Management Committee. The Board committees are appointed based on the required skill set. The current committees are the Human Resources and Remuneration Committee, the Audit and Risk Committee, the Technical Committee, and the Advisory Forum.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee provides the Board of Directors with recommendations on policy matters regarding the following:

- The CEO recruitment and appointment;
- Employee recruitment, benefits, incentives, and bonus arrangements;
- Succession and retention planning for the CEO and senior employees;
- Scarce and critical skills; and
- Equity targets.

The Human Resources and Remuneration Committee held six meetings during the year under review. The Committee confirms that it has conducted its affairs in accordance with its terms of reference and has discharged all responsibilities delegated to it by the Board.

The roles and responsibilities of the Human Resources and Remuneration Committee include the following:

- Annual review of the remuneration terms and conditions, and making recommendations to the Board;
- Consideration of any changes to the employee benefit structures and making recommendations to the Board;
- Consideration of the remuneration, incentive, and benefit arrangements of the CEO - including pension rights and any compensation payments, and making recommendations to the Board;
- Consideration of the cost-of-living increases, performance bonus awards, changes to employees' terms and conditions and any other related activities, and making recommendations to the Board;
- Review of the human resources strategy and policies, and making recommendations to the Board;
- Promotion of a culture of excellence throughout SANAS; and
- Ensuring compliance with applicable legislation and regulations.

Human Resources and Remuneration Committee Membership and Attendance

The Human Resources and Remuneration Committee currently comprises four Non-Executive Directors.

The following table depicts the meeting attendance of members of the Human Resources and Remuneration Committee during the year under review.

BOARD MEMBER	MEETING ATTENDANCE RECORDS					
	23 April 2025	23 July 2025	28 October 2025	26 January 2026	28 January 2026	10 February 2026
Dr Tshenge Demana	P	TE	TE	TE	TE	TE
Dr Sarah Mohlala	P	TE	TE	TE	TE	TE
Ms Lindi Tlou	P	TE	TE	TE	TE	TE
Ms Pamella Mhlari	NYA	P	P	P	P	P
Dr Nandi Malumbazo	NYA	P	P	P	P	P
Ms Nolitha Ntobongwana	NYA	P	P	P	P	P
Ms Silindile Ndwandwe	NYA	P	P	P	P	P

*p – present, te – term expired, and nya – not yet appointed.

Audit and Risk Committee

The Audit and Risk Committee is an independent statutory committee appointed by the Board, which delegates duties and responsibilities to it in accordance with Section 77 of the PFMA. In terms of Section 51(1)(a)(ii) of the PFMA, the Board, as the Accounting Authority, must ensure that SANAS has, and maintains, a system of internal audit under the control and direction of the Audit and Risk Committee.

The function of the Audit and Risk Committee is to assist the Board in discharging its duties relating to the safeguarding of assets and liabilities, and the operation of adequate systems of control. It is also tasked with reviewing financial information and preparing the annual financial statements.

The Audit and Risk Committee's functions are formalised in a Charter approved by the Board and annually reviewed to ensure compliance. During the period under review, the Audit and Risk Committee conducted its affairs in accordance with the Charter. It discharged its responsibilities as required by the Charter, the Companies Act, 71 of 2008, and the prescripts of the King V Code of Governance.

The Audit and Risk Committee's terms of reference are formalised in a Charter approved by the Board and annually reviewed to ensure compliance. During the period under review, the Audit and Risk Committee conducted its affairs in accordance with the Charter. It discharged its responsibilities as required by the Charter, the Companies Act, 71 of 2008, and the prescripts of the King V Code.

Audit and Risk Committee's Responsibilities

The Audit and Risk Committee has adopted appropriate terms of reference in accordance with the requirements of Section 77 of the PFMA and Treasury Regulation 27.1 and conducted its affairs in compliance with those terms of reference and the Audit and Risk Committee's Charter.

The Audit and Risk Committee ensured compliance with the relevant provisions of the Shareholders' Compact between SANAS and the dtic. This Committee performs an oversight function and advises the Board of Directors on carrying out its responsibilities. The responsibilities include matters relating to financial, management, and other reporting practices; internal controls and risk management; integrated reporting; combined assurance; IT governance; and compliance with laws, regulations, and ethics.

The Audit and Risk Committee reports to the Board on any matter it considers significant that it identifies in the course of its duties. The Audit and Risk Committee perform, on behalf of the Board of Directors, any other tasks or actions that the Board may authorise from time to time.

Responsibilities of the Audit and Risk Committee, in addition to the above, are as follows:

- Reviews and assesses the adequacy of management reporting to the Board regarding the quantity, quality, and timing of information necessary for internal and external reporting on SANAS' operations and financial condition;
- Reviews the accounting policies and practices in alignment with the applicable statutory requirements and generally accepted accounting principles, and evaluates SANAS' financial statements for reasonability and accuracy;
- Satisfies itself about the integrity and prudence of management control systems - including the review of policies and practices;
- Ensures that the Board and Management Team are aware of any matters that might have a significant impact on the financial condition or affairs of SANAS; and
- Monitors the accomplishment of established objectives through the mission statement, business plan, and transformation process.

South African National Accreditation System

Audit and Risk Committee Membership and Attendance

The Audit and Risk Committee comprise of five members, with the Chairperson being a Non-Executive Director. During the year under review, the Audit and Risk Committee held six meetings.

The following table shows the attendance of members of the Audit and Risk Committee for the year under review.

BOARD MEMBER	MEETINGS					
	25 April 2025	27 May 2025	25 July 2025	27 October 2025	23 January 2026	10 March 2026
Dr Sarah Mohlala	P	P	TE	TE	TE	TE
Mr Sammy Mlangeni	P	P	TE	TE	TE	TE
Amb. Sadick Jaffer	P	P	TE	TE	TE	TE
Ms Lerato Mothae	P	P	TE	TE	TE	TE
Ms Irene Ramafola	AP	P	TE	TE	TE	TE
Ms Lebogang Matlala	NYA	NYA	P	P	P	P
Mr Bruce Gordon	NYA	NYA	P	P	P	P
Dr Dharmarai Naicker	NYA	NYA	P	P	P	P
Mr John Mazibuko	NYA	NYA	P	P	P	P
Dr Pulane Molokwane	NYA	NYA	P	P	P	P

*p – present, ap – apology, te – term expired, and nya – not yet appointed.

Name	Remuneration	Other Allowance	Other Reimbursements	Total
T Demana	R147,996.00	R0	R0	R147,996.00
S Mlangeni	R18,807.00	R0	R0	R18,807.00
L Tlou	R32,465.00	R0	R0	R32,465.00
L Mothae	R37,911.00	R0	R0	R37,911.00
S Mohlala	R30,276.00	R0	R0	R30,276.00
S Jaffer	R25,689.00	R0	R0	R25,689.00
L Matlala	R102,812.00	R0	R0	R102,812.00
B Gordon	R69,366.00	R0	R0	R69,366.00
P Molokwane	R125,274.00	R0	R0	R125,274.00
N Malumbazo	R94,920.00	R0	R0	R94,920.00
N Ntobongwana	R93,828.00	R0	R0	R93,828.00
S Ndwandwe	R81,178.00	R0	R0	R81,178.00
A Vutha	R81,317.00	R0	R0	R81,347.00
D Naicker	R87,601.00	R0	R0	R87,601.00
V Mazibuko	R80,052.00	R0	R0	R80,052.00

Remuneration of Board Members

The members of the Board receive fees for attending meetings in accordance with the National Treasury's determination. The Board's remuneration is based on SANAS' classification as a Schedule 3A entity. Board members who are employed by an organ of state are not entitled to remuneration.

9. RISK MANAGEMENT

The Board acknowledges that it is responsible for the entire risk management process and for its effectiveness. The Audit and Risk Committee is mandated to assess the effectiveness of SANAS' risk management process. SANAS' Management Team is accountable for designing, implementing, and monitoring the risk management process and integrating it into SANAS' day-to-day activities.

During the period under review, and under the supervision of the Audit and Risk Committee, SANAS' Management Team assessed, reviewed, and updated the organisational risk management framework. The framework was implemented across all streams and business units to ensure that risks are understood and that the controls necessary to mitigate them are in place.

The Audit and Risk Committee performs an oversight function and advises the Board primarily on matters relating to risks that SANAS faces and may be exposed to. The Audit and Risk Committee undertakes the following:

- Monitors the major risk areas, including financial, legal, and fiscal risks, the internal control environment, and the control process;
- Monitors areas that expose SANAS to potential financial risks and ensures that SANAS' Management Team effectively manages the risks;
- Ensures that an effective system of accounting and internal control is established and maintained to manage financial risks;
- Oversees the development and annual review of the risk management framework and makes recommendations to the Board for its approval;
- Monitors the implementation of the risk management framework by means of risk management systems and processes, and quarterly reports;
- Makes recommendations to the Board concerning SANAS' levels of risk tolerance and appetite;
- Obtains assurance that risks are managed within the levels of tolerance and appetite as approved by the Board;
- Ensures that the Risk Management Plan is widely disseminated throughout SANAS and integrated into its day-to-day activities;
- Obtains assurance that risk management assessments are performed on an ongoing basis;
- Obtains assurance that frameworks and methodologies are implemented to increase the ability to anticipate unpredictable risks;
- Obtains assurance that SANAS considers and implements appropriate risk strategies and responses;
- Obtains assurance that continuous risk monitoring by SANAS takes place;
- Liaises closely with the Human Resources and Remuneration Committee to exchange information relevant to risk;
- Expresses its formal opinion to the Board on the effectiveness of the system and process of risk management; and
- Reviews reports concerning risk management for comprehensive, relevant, and timely inclusion in the integrated reporting.

10. INTERNAL CONTROL

SANAS maintains internal controls and systems designed to provide reasonable assurances about the integrity and reliability of the financial statements and performance information. The controls and systems must adequately safeguard, verify, and maintain accountability for their assets. The controls are based on established policies and procedures and are implemented with appropriate separation of duties and responsibilities. The internal audit function operates under the direction of the Audit and Risk Committee, which approves the scope of the work.

Findings, as well as progress against related management actions, are reported to the Audit and Risk Committee.

11. INTERNAL AUDIT

11.1 STRATEGIC ROLE AND PURPOSE OF INTERNAL AUDIT

During the 2025/2026 financial year, the Internal Audit function was outsourced to Nexia SAB&T. Internal Audit serves as an independent assurance and advisory function that strengthens governance, improves organisational performance, and supports the achievement of SANAS' strategic mandate.

At strategic level, the Internal Audit function provides independent and objective assurance to the Accounting Authority (Board), the Audit and Risk Committee, and executive management that:

- governance processes are functioning effectively;
- risks are appropriately identified and managed;
- internal controls are adequate and effective;
- resources are used economically and responsibly; and
- SANAS is achieving its strategic and operational objectives in a compliant and sustainable manner.

11.2 STRATEGIC POSITIONING AND INDEPENDENCE

The IAF of SANAS is independently outsourced to provide objective assurance and advisory services that strengthen governance, risk management, and internal control processes across the organisation. The IAF operates in accordance with the International Standards for the Professional Practice of Internal Auditing and maintains organisational independence through its functional reporting line to the Audit and Risk Committee. In executing its mandate, the Internal Audit Function implements the approved Internal Audit Plan and regularly reports to the Audit and Risk Committee on progress against the plan, key audit outcomes, control deficiencies, governance matters, and the status of management's implementation of corrective actions. This reporting structure enables the Internal Auditors to perform their responsibilities impartially and without undue influence, while providing the Board and Executive Management with independent assurance on the effectiveness of governance, risk management, compliance, and operational controls in support of SANAS' strategic objectives and mandate.

12. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the Audit and Risk Committee, ensures that SANAS' Management Team has the necessary mechanisms in place to comply with legislation and regulations governing its activities.

This responsibility entails:

- Reviewing policy documents, to ensure incorporation of laws, regulations, ethics and policies, and the review of rules that ensure compliance and address conflicts of interest;
- Monitoring compliance with policies and procedures;
- Noting and addressing significant cases of employee conflict of interest, misconduct or fraud, and the resolution of related cases;
- Reviewing the internal auditor's report on the scope of compliance reviews, and the resolution of findings and follow-ups on recommendations;
- Monitoring developments and changes in legislation regarding the accountability, responsibilities, and liabilities of SANAS' Management Team, and monitoring and reviewing the extent to which SANAS' Management Team meets its obligations;
- Monitoring developments and changes in the legislation and regulations that relate to SANAS' operations; and
- Monitoring and reviewing the extent to which SANAS complies with such legislation.

13. FRAUD AND CORRUPTION

SANAS manages fraud, corruption, theft, maladministration, and other dishonest activities in accordance with its Anti-Fraud and Corruption Policy, Fraud Prevention Plan, and Anti-Fraud Charter.

SANAS employees are obliged to report all incidents of fraud, corruption, theft, maladministration, and any other dishonest activity to their manager/s. If employees are uncomfortable reporting the matter to their manager/s, they need to report it to their manager/s' superior, with recourse to the CEO. Employees may also report the matters to the HR Department for reasons of anonymity or otherwise.

All SANAS Managers are responsible for detecting, preventing, and investigating fraud, corruption, theft, maladministration, and similar dishonest activities within their areas of responsibility.

SANAS will take appropriate legal recourse to recover losses or damages arising from fraud, corruption, theft, or maladministration. The responsibility for conducting investigations into allegations of fraud, corruption, theft, maladministration, and any other dishonest activity rests with the CEO.

14. MINIMISING CONFLICT OF INTEREST

SANAS, as part of the dtic's Council of Trade and Industry Institutions (COTII), acknowledges the importance of mitigating potential conflicts of interest and has therefore implemented measures to prevent them.

SANAS has also implemented processes and procedures to mitigate potential risks arising from unavoidable perceived conflicts of interest.

15. CODE OF CONDUCT

SANAS subscribes to the Public Service Code of Conduct as prescribed by the Public Service Regulations. The principles and provisions of this Code have been incorporated into SANAS' Code of Ethics and Business Conduct, which serves as the governing framework for ethical behaviour across the Entity.

The Code of Ethics and Business Conduct establish clear guidelines for the standard of conduct expected of all SANAS employees, both in their individual capacity and in their engagements with colleagues, stakeholders, and the public. The Entity places significant importance on adherence to these ethical standards to foster a culture of integrity, accountability, and professionalism, thereby reinforcing public confidence in SANAS and its operations.

The Code of Ethics and Business Conduct encompass the following key areas:

- The values and principles that underpin the work of SANAS;
- A framework for identifying and promoting ethical and acceptable employee conduct;
- Guidance on the responsible and ethical exercise of authority; and
- The alignment of SANAS' ethical standards with those of the broader public service.

Non-compliance with any provision of the Code of Ethics and Business Conduct constitutes a contravention of the Entity's core values. In such instances, employees are subject to the Entity's established grievance and/or disciplinary procedures, ensuring that appropriate action is taken fairly and consistently.

16. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

SANAS is committed to maintaining a safe, healthy, and secure working environment for all employees in alignment with the Occupational Health and Safety Act of 1993. Rather than treating compliance as a procedural obligation, SANAS actively implements a range of practical measures throughout the year to keep our workplace safe and our people prepared.

To ensure workplace readiness, SANAS conducts planned evacuation drills, allowing all staff to practice emergency exits, assembly procedures, and accountability protocols in a controlled environment. Following each drill, employees receive structured feedback that includes the recorded total evacuation time, observations on the flow and compliance of the evacuation, and specific areas identified for improvement. This feedback session ensures that each subsequent drill is more effective than the last.

The physical working environment is also regularly assessed. This includes checks on office ventilation and airflow to ensure adequate air quality and circulation, inspection of emergency exits, fire extinguisher serviceability, and first-aid kit replenishment. Workstation ergonomics assessments are conducted to reduce the risk of musculoskeletal strain among staff, and general housekeeping audits help maintain a hazard-reduced office environment.

17. COMPANY SECRETARY

The Company Secretary oversees corporate governance and is responsible for assisting the Board to ensure that it adheres to the principles of sound corporate governance. The Company Secretary has an ipso facto relationship with the Board and informs the Board of any legislation, regulations, or policies that affect SANAS, as well as any related non-compliance.

During the year under review, the Company Secretary assisted the Board in providing ongoing training for Board members on the implications of King V – the corporate governance standard for South Africa.

18. CORPORATE SOCIAL INVESTMENT OVERVIEW

SANAS is committed to the development and economic growth of South Africa through a Corporate Social Investment (CSI) strategy that forms an integral part of its broader B-BBEE framework. The strategy prioritises support for vulnerable children, persons living with disabilities, and other disadvantaged institutions, with the aim of creating meaningful and sustainable impact in the communities surrounding its operations.

CSI Initiatives and Beneficiary Support

During the period under review, SANAS continued to support its nominated beneficiaries through targeted interventions aligned with its CSI mandate.

Via Nova Special School, which serves differently abled learners, received continued support through staff training initiatives focused on upskilling and capacity building. These programmes were designed to enhance the quality of care and educational support provided to children and youth with special needs.

Mamelodi SOS Children's Village, which accommodates vulnerable children and youth, received a sponsorship of essential winter and personal care items, including beanies, toiletries, and sanitary towels, recognising that such necessities are frequently overlooked during conventional donation drives.

Monitoring, Evaluation and Impact

SANAS ensures that robust monitoring and evaluation processes underpin all CSI initiatives to assess outcomes and promote the sustainability of its interventions. Monitoring of the training programme at Via Nova Special School yielded positive feedback, indicating that participating teachers are now better equipped to support learners effectively and produce quality work more efficiently. This outcome demonstrates the tangible value of SANAS' investment in skills development and institutional capacity building.

19. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present its Report for the financial year end on 31 March 2026.

Audit and Risk Committee Responsibility

The Committee has operated within the approved Committee Charter and complied with all governing legislation in executing its' responsibilities in terms of the Public Finance Management Act, and National Treasury Regulations and requirements of King V Code of Corporate Governance.

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

Key Committee Activities Statutory Duties

The roles and responsibilities of the Committee as per Section 51(1) (a) (ii) and Section 76 (4) (d) of the Public Finance Management Act, National Treasury Regulations Section 27 (1) and the requirements of the King V Code of Corporate Governance include:

- To assist the Board in its evaluation of the adequacy and effectiveness of the internal control systems, governance, accounting practices, information systems, risk management and auditing processes applied within the SANAS's day to day management of its business;
- To facilitate and promote communication between the Board, Management, the External Auditors and Internal Auditors on matters which fall within the responsibilities of the Committee;
- To ensure the risk and compliance areas of SANAS operations are covered in the scope of Internal and External audits;
- To ensure the accounting and auditing concerns identified from the Internal and External audits conducted during the period under review are addressed;
- To ensure SANAS compliance with legal and regulatory provisions, the Accreditation Act and the Public Finance Management Act as well as the National Treasury Regulations; and
- To ensure the independence and objectivity of the Internal and External Auditors.

Internal Controls

The Committee undertook the following primary activities in assessing the effectiveness of the internal controls:

- Reviewed Risk Reports.
- Reviewed Supply Chain Management reports.
- Reviewed the Audit Action Plans.
- Reviewed the quarterly legal reports.
- Reviewed the framework for establishing effectiveness of policies and procedures relevant to this Committee.
- Established a framework for determining SANAS's compliance with significant legal and regulatory provisions.
- Reviewed the controls over significant financial and operational risks.
- Tabled and discussed Internal Audit Reports at each meeting.
- Reviewed the annual report and financial statements to ensure that they present a balanced and understandable assessment of the position, performance, and prospects of SANAS.

The key outcomes following the above assessment procedures include the internal financial controls and systems, which are satisfactory.

Whistle-Blowing

The Committee considered complaints received relating to SANAS via the whistleblowing hotline.

External Auditors

The Committee independently engaged with External Audit and is satisfied that it has adequately discharged its legal and regulatory responsibilities.

The Committee has reviewed and accepted External Audit's final Management Report and Audit Opinion relating the Annual Financial Statements, Audit of Performance Information and Compliance with legislation. The entities audit outcome regressed when compared with that of the previous year and the committee will strengthen oversight to ensure that the findings that resulted in a regression are adequately addressed.

Evaluation of Annual Financial Statements

The Committee has:

- Reviewed the appropriateness of accounting policies;
- Reviewed the appropriateness of assumptions made by Management in preparing the Annual Financial Statements;
- Reviewed the significant accounting and reporting issues, and understood their impact on the annual financial Statements;
- Reviewed the Annual Financial Statements and considered that they are complete, consistent with prescribed accounting practices and information known by the Committee; and
- Obtained assurance from Management with respect to the completeness and accuracy of the annual financial statements

Governance of Risk

The Committee has continued to fulfil its oversight role regarding:

- Enterprise risk management; and
- Combined Assurance.

Areas of enhancement have been raised by the Committee in relation to:

- Compliance Management;
- Anti-Corruption and Fraud; and
- Business Continuity Management.

Internal Audit

The Committee discharged its responsibility to approve the annual and three-year rolling plan and consider Internal Audits quarterly reports and the mitigation action plans as agreed between SANAS and Internal Audit.

The Committee further ensured that Internal Audit remained independent, objective and had the necessary resources, standing and authority within SANAS to enable it to discharge its duties.

Conclusion

The Committee recommended the approval of the 2025/2026 Audited Annual Financial Statements and the audit opinion thereon at its meeting held on 24 July 2026 and these Annual Financial Statements and audit opinion were duly approved by the Board on 30 July 2026 to be included in SANAS's Annual Report for the financial year ended March 2026.



Ms Lebogang Matlala

Chairperson of the Audit and Risk Committee
SANAS

20. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

As part of its broader transformation strategy, SANAS remains committed to advancing South Africa's transformation agenda. The Entity actively contributes to inclusive economic growth by promoting the meaningful participation of black people in the economy, with particular focus on community support, enterprise development, and supplier development, among other initiatives.

To monitor and measure progress in this regard, SANAS undertakes an annual B-BBEE verification process to assess its contribution level and ensure ongoing compliance with the relevant legislative and regulatory frameworks.

During the period under review, SANAS took a deliberate step to strengthen its transformation performance by engaging a B-BBEE Strategy Consultant. Through this partnership, the Entity was able to develop and implement a focused strategy to improve its B-BBEE contributor level. As a result of these efforts, SANAS achieved B-BBEE compliance at Level 8 for the period under review.

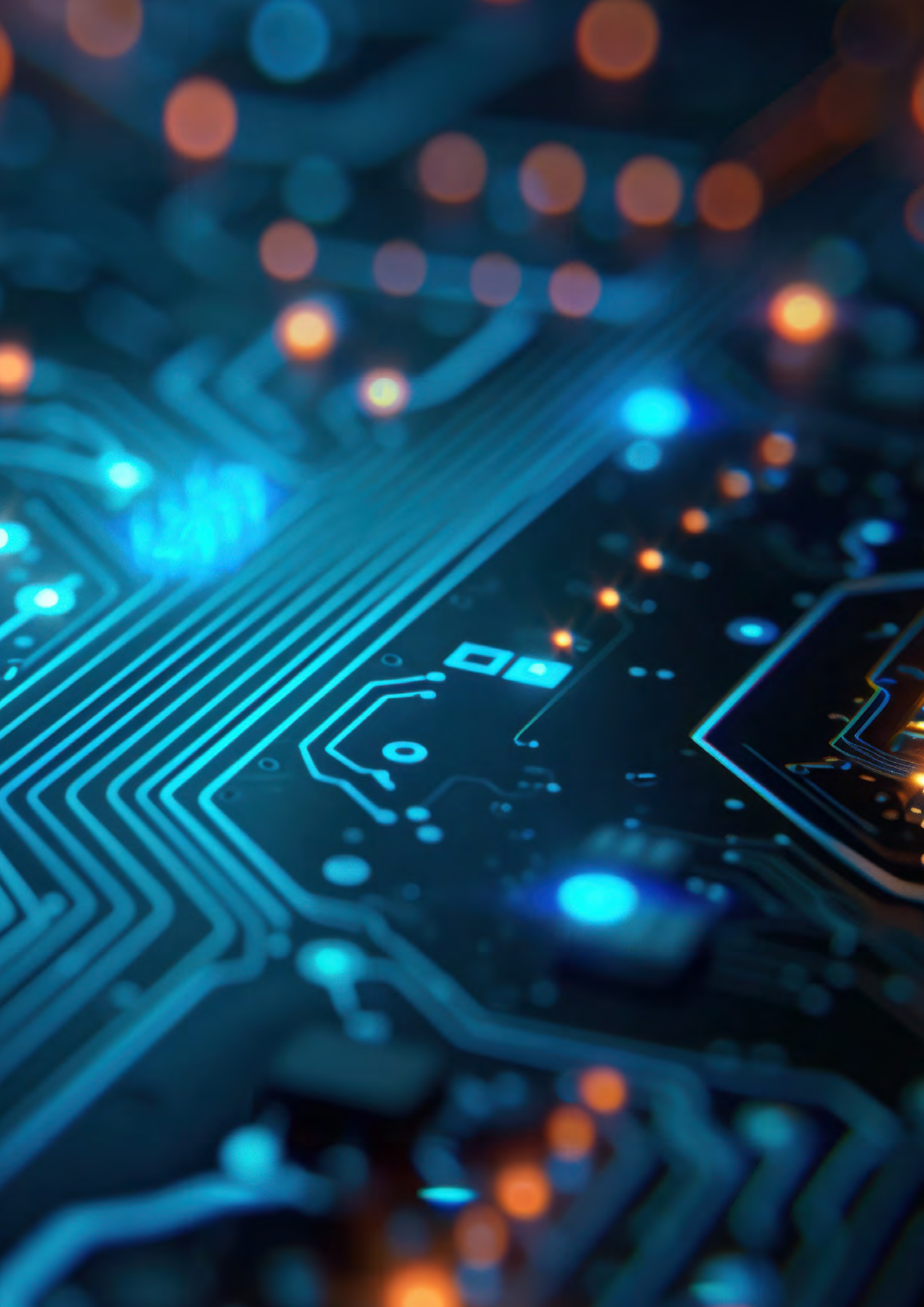
Skills Development as Contribution Towards B-BBEE

SANAS continued to actively promote its 24-month internship programme during the reporting period, focusing on providing youth with meaningful practical work experience. The programme specifically targets students who require Work Integrated Learning (WIL) as a prerequisite for completing their academic qualifications and obtaining a National Diploma, forming part of SANAS' broader commitment to skills development and youth empowerment in line with national priorities.

During the year under review, two interns were appointed, both of whom are differently abled, reflecting SANAS' commitment to inclusive participation in its development initiatives. By equipping interns with relevant workplace experience and practical skills, the programme aims to enhance their employability and contribute meaningfully to reducing youth unemployment in South Africa.

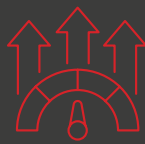
B-BBEE Compliance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	SANAS issues accreditation certificates to organisations that meet all compliance requirements. These certificates enable participation in key economic activities and support the credibility of conformity assessment services in South Africa.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management Department has implemented relevant procedures to give effect to the Preferential Procurement Policy (FP02-08), ensuring alignment with applicable regulatory requirements and promoting equitable supplier participation.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not applicable
Developing criteria for entering partnerships with the private sector?	No	In adherence to the principle of impartiality, SANAS does not engage in partnerships that may compromise its objectivity or create a conflict of interest.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	SANAS is working in collaboration with the Small Enterprise Development Financial Agency (SEDFA) to establish and maintain a continuous partnership to support small business development and enhance access to accreditation services.





PART
D



HUMAN RESOURCE **MANAGEMENT**

1.	Introduction	102
2.	Human Capital Development and Organisational Effectiveness	102
3.	Employee Performance Management Framework	102
4.	Employee Wellness Programmes (Ewp)	103
5.	Policy Development	104
6.	Resourcing Challenges	104
7.	Human Resources: Future and Strategic Outlook	104
8.	Capability Development and Competency Management	105
9.	Internships	105
10.	Human Resources Statistics	106 - 109

1. INTRODUCTION

The HR Department plays a pivotal role in ensuring that SANAS is appropriately capacitated to fulfil its mandate as prescribed by the Accreditation Act, while remaining responsive to the evolving needs and expectations of its customers and stakeholders.

The primary objective of the HR management function is to promote organisational effectiveness by building a fit-for-purpose entity, enhancing all key touchpoints of the employee lifecycle, and ensuring full compliance with applicable statutory requirements.

At SANAS, people are regarded as the Entity's most valued asset and the cornerstone of its success. The organisational culture is shaped and sustained by a compelling Employee Value Proposition (EVP) that is deeply embedded in the Entity's core values. This culture-driven approach empowers SANAS employees to perform at their best, enabling the Entity to consistently meet the expectations of its customers and stakeholders.

2. HUMAN CAPITAL DEVELOPMENT AND ORGANISATIONAL EFFECTIVENESS

During the year under review, SANAS embarked on a Leadership Development Programme for all Executive members and managers, while continuing to implement corrective interventions informed by the outcomes of the organisational culture survey. In addition, SANAS successfully automated several HR processes to improve operational efficiency and reduce turnaround times for employee requests. The automation initiative was continuously monitored and evaluated, and demonstrated a measurable contribution to more informed and timely management decision-making through readily accessible information.

The HR function ensured business continuity and operational effectiveness by maintaining a consistently low vacancy rate throughout the period. SANAS successfully maintained its vacancy rate below the target threshold of 5%, despite challenges in filling certain critical roles. This was achieved through a range of strategic interventions, including employee multi-skilling, job enrichment, and proactive succession planning. Furthermore, SANAS continued to strengthen its talent pipeline by providing capable employees with opportunities to assume higher-level positions, affording them valuable experience and professional development while promoting organisational sustainability and effectiveness.

Learning and Development

SANAS remains committed to fostering a culture of continuous learning through targeted learning and development initiatives that support business continuity. These interventions include in-house training, on-the-job training, job enrichment, and participation in workshops, among others. In support of this commitment, 23 bursaries were awarded to qualifying employees who applied for financial assistance, and 49 employees were exposed to various short courses, workshops, and other training interventions during the period under review.

An annual skills gap analysis is conducted to ensure that employees possess the relevant skills and competencies required to deliver on the Entity's mandate and evolving strategic objectives.

All statutory compliance reporting obligations were fulfilled during the period, including the submission of the Employment Equity Report, the Workplace Skills Plan, and the Annual Training Report. Details are provided in the tables below.

Description	
Employees bursary spent	R 1,085,470
Number of employees who received bursaries	23
Short courses, workshops, training spend	R 461,065
Number of people who were trained	49
Number of training interventions (excluding bursaries)	9
Number of wellness engagements with employees	15
Internal customer satisfaction level	94%

3. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

In an increasingly dynamic and complex operating environment, operational excellence remains a strategic imperative for SANAS. The Entity recognises that sustained high performance is contingent upon a robust, structured, and enabling performance management framework that supports, guides, and develops its employees at every level.

The SANAS Performance Management Framework is founded on the principles of the ³/₄ Balanced Scorecard philosophy, which provides a comprehensive and integrated approach to measuring and managing organisational and individual performance. This approach ensures that performance is evaluated not only from a financial perspective, but also across key dimensions, including customer satisfaction, internal processes, and learning and growth. The value of excellence is firmly embedded in the performance management process, driving efficiency and meaningfully contributing to an enhanced customer experience. The framework is designed to be interactive, developmental, and non-punitive, ensuring employees receive the guidance and support they need to perform at their best.

In recognition of the evolving strategic landscape for the 2025/2026 financial year, SANAS has taken a deliberate, forward-looking step by engaging a specialist service provider to assist in revamping and modernising its Balanced Scorecard. This initiative reflects the Entity's commitment to ensuring that its performance measurement tools remain relevant, aligned, and fit for purpose. As part of this process, performance contracts across the organisation are being reviewed and updated to reflect current strategic priorities, ensuring clear alignment between individual performance expectations and the Entity's approved Strategic and APPs. The Balanced Scorecard approach remains central to this effort, as it provides leadership and employees with a clear, balanced, and strategic view of performance, driving accountability and informed decision-making at all levels.

SANAS firmly believes that the effectiveness of its implementation determines the success of any performance management system, the achievement of expected outcomes, and the identification of meaningful development opportunities through stretch assignments and targeted interventions.

During the year under review, employee performance remained at an acceptable, consistent level in accordance with the framework. All employees were kept informed of the Entity's strategic direction and its direct link to performance management, ensuring the effective harmonisation of key performance indicators with the approved Strategic and APPs. This alignment reinforces a shared sense of purpose and accountability across the organisation, positioning SANAS to deliver on its mandate with excellence and integrity.

4. EMPLOYEE WELLNESS PROGRAMMES (EWP)

SANAS remains committed to enhancing employee well-being to promote performance excellence in both the workplace and employees' personal lives. The EWP, managed through the contracted service provider, Lyra, provided employees and their immediate family members with access to professional support services relating to psychological, financial, legal, and emotional matters. These services were accessible through various platforms, including telephonic, email, and in-person consultations.

Although the contract with the service provider ended in March 2026, the services rendered throughout the contract period were of a high standard and contributed positively to employee wellness and support. During the reporting period, utilisation reports from Lyra indicated that the most common challenges experienced by employees were primarily related to relationships and legal matters.

In response, SANAS continued to promote healthy lifestyles and foster a positive work environment through internal awareness communications, including webinars and wellness initiatives, to support employees and address these identified challenges.

5. POLICY DEVELOPMENT

During the reporting period, SANAS undertook a targeted review of procedures aligned with the HR Policy to ensure continued compliance with applicable legislative requirements and to strengthen the organisation's governance and control environment. A structured consultation process was applied to incorporate relevant stakeholder input, thereby enhancing transparency, accountability, and the effectiveness of policy implementation. The alignment of policy frameworks with operational practices and employee awareness supports compliance assurance, audit readiness, and risk mitigation, collectively reinforcing a robust governance framework and promoting organisational integrity and sustained effectiveness.

6. RESOURCING CHALLENGES

SANAS' ability to sustain and expand its existing customer base, integrate new programmes, and effectively support accreditation activities is inherently dependent on its capacity to attract, develop, and retain appropriately skilled talent. The organisation's operating model requires a workforce with specialised technical and managerial capabilities.

In response, SANAS continues to prioritise the development of a sustainable talent pipeline to strengthen organisational capacity, support succession planning, and ensure the continuous development of competencies across all programmes, thereby enabling the organisation to respond effectively to the growing demand for its services.

7. HUMAN RESOURCES: FUTURE AND STRATEGIC OUTLOOK

Looking ahead, the HR function remains steadfast in its commitment to building a high-performing, transformed, and engaged workforce capable of delivering on SANAS' mandate.

Key Initiatives for the 2026/2027 Financial Year

As SANAS looks towards the 2026/2027 financial year, the following key initiatives have been identified to drive organisational excellence, transformation, and a positive workplace culture:

- **B-BBEE Strategy Implementation:** SANAS will continue to execute and monitor its B-BBEE improvement strategy, with a focus on measurable progress across all priority elements, including skills development, enterprise development, and supplier development, with the aim of improving the Entity's overall contributor level.
- **Leadership Development Programme:** The Entity will continue to invest in the structured development of its leaders through the ongoing implementation of the Leadership Development Programme, equipping employees with the skills and competencies required to lead effectively in a complex and evolving environment.
- **Culture Survey and Corrective Action Plan:** SANAS will conduct a comprehensive organisational culture survey to assess the prevailing workplace climate and identify areas requiring focused intervention. The outcomes of the survey will inform a structured corrective action plan to cultivate a culture aligned with the Entity's values and conducive to high performance and employee well-being.
- **Policy Review:** In recognition of the ever-evolving operational and regulatory landscape, SANAS will undertake a comprehensive review of its existing HR Policy and procedures to ensure they remain relevant, current, and aligned with best practice. This review will ensure that all procedures continue to support the Entity's strategic objectives while remaining responsive to the changing needs of the organisation and its employees.

8. CAPABILITY DEVELOPMENT AND COMPETENCY MANAGEMENT

SANAS recognises that building the right capabilities goes beyond attracting and retaining talented individuals. It also encompasses a deliberate, structured commitment to upskilling and reskilling existing employees, ensuring that the Entity remains agile and competent in an ever-changing environment.

To this end, SANAS continuously reviews and enhances the competencies required for organisational success, guided by its organisational competency library. This review process is conducted in direct alignment with the Entity's mandate, ensuring that competency frameworks remain relevant, up to date, and fit for purpose.

Employee training and development initiatives are intentionally aligned with identified competency gaps and developmental needs, as informed by the performance management system. This ensures that learning interventions are targeted, meaningful, and directly linked to both individual growth and organisational performance.

Building the right capabilities remains a strategic imperative for SANAS. The Entity is firmly committed to instilling a culture of continuous learning, recognising that an informed, skilled, and adaptable workforce is fundamental to achieving its strategic objectives and sustaining long-term organisational excellence.

In the year under review, SANAS invested a total of R1,546,535 in courses, training programmes, workshops, and bursaries, as reflected in the table below.

Training Costs

Activity	Training Expenditure	Number of employees
Bursaries	R 1,085,470	23
Short courses, workshops, training interventions	R 461,065	49

9. INTERNSHIPS

SANAS remains committed to equipping interns with critical skills and workplace experience to enhance their employability, thereby contributing to job creation and supporting economic transformation in alignment with B-BBEE objectives.

During the 2025/2026 financial year, SANAS implemented a targeted recruitment process for its internship programme, aimed at attracting youth requiring Work Integrated Learning (WIL) to complete their formal qualifications. By March 2026, two interns had been appointed on 18-month minimum contracts. The recruitment process for additional interns remains ongoing, with further placements planned for the new financial year to strengthen the organisation's talent pipeline and support sustained skills development.

10. HUMAN RESOURCES STATISTICS

Remuneration, Recognition and Rewards

Employee Recognition and Long Service Awards

As part of the SANAS Recognition and Awards System, the organisation continued to formally recognise employee commitment and service excellence, thereby reinforcing a culture of appreciation and sustained organisational performance. During the year under review, 10 employees were recognised for long service milestones ranging from 5 to 20 years, reflecting workforce stability, institutional knowledge retention, and continued dedication to organisational objectives.

The tables below reflect key HR-related expenditure and information.

Personnel cost by programme

	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
Administration*	10,115	13.37%	11	919
Corporate Services	15,182	20.07%	15	986
Strategy and Development**	11,549	15.27%	9	1,283
Accreditation	38,408	50.78%	41	805

- Administration Programme includes the Office of the CEO; however, the post of CEO is currently vacant.
- The staff within Strategy & Development range largely between Senior Management and Skilled Personnel.

Personnel cost by salary band

Level	Personnel Expenditure (R'000)*	% of Personnel Expenditure to Total Personnel Cost (R'000)	No. of Employees*	Average Personnel Cost per Employee (R'000)
Senior Management	9,454	12%	4	2,363
Professional Qualified	41,277	55%	31	1,331
Skilled	23,073	31%	37	623
Semi-Skilled	1,144	2%	3	381
Unskilled	682	1%	7	97
TOTAL	75,635	100%	82	

*Figures include two fixed-term employees.

Performance rewards

During the 2025/2026 financial year, R4,367,000 was provisioned for performance bonuses.

Programme	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost (R'000)
Top Management	0	0	0
Senior Management	4	640	15
Professional Qualified	24	2,267	52
Skilled	31	1,364	31
Semi-Skilled	3	77	2
Unskilled	1	19	0
TOTAL	63	4,367	100

Employment and vacancies

No. of Employees	Approved Positions	No. of Employees	Vacancies	% of Vacancies
Top Management	1	Acting	1 (Acting)	1.3%
Senior Management	4	4*	0	0%
Professional Qualified	32	30*	1 (Acting)	1.3%
Skilled	38	38*	1	1.3%
Semi-Skilled*	1	5*	0	0%
Unskilled	1	1	0	0%
TOTAL	77	78	3	3.9%

*Includes fixed-term employees.

Employment changes

By the end of the period under review, SANAS had a total workforce of 78 employees. During the period under review, two appointments were made at professionally qualified level (one on a fixed-term basis and the other on a post-retirement contract). At skilled level, one fixed-term appointment was made, while four fixed-term appointments were made at semi-skilled level.

The table below provides information on changes in employment over the financial year.

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	0 (Acting)	Acting	Acting	0 (Acting)
Senior Management	4*	0	0	4
Professional Qualified	31	3*	2	32
Skilled	37	1*	1	38
Semi-Skilled*	3*	4*	2	3
Unskilled	1	0	0	1
Total	76	8	5	78

*Includes fixed-term employees.

Note: Terminations refer to resignations, retirement or expiry of contracts.

South African National Accreditation System

Reasons for staff leaving

Reason	Number	% of Total No. of Staff Leaving
Death	1	1.3%
Resignation	1	1.3%
Dismissal	0	0%
Retirement	1	1.3%
Ill Health	0	0%
Expiry of Contract	4	5.24%
Other	0	0%
Total	7	9.14%

Labour relations: Misconduct and disciplinary action

SANAS is committed to upholding good labour practices and a working environment that entrenches the rights of all employees to be treated with fairness, equality, and respect. SANAS continues to have an open-door policy that contributes to building and maintaining cross-cutting employee relations practices. Employees are free to exercise their right to belong to a trade union.

In the year under review, the Employee relations activities are outlined below:

Nature of disciplinary Action	Number
Counselling	0
Verbal Warning	1
Written Warning	0
Final Written Warning	0
Dismissal	0

The tables below provide employment equity statistics per category.

Equity target and employment equity status

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0
Professional Qualified	16	14	0	1	0	0	2	2
Skilled	27	26	3	2	0	0	1	1
Semi-Skilled*	3	1	0	0	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
TOTAL	48	44	3	3	0	0	3	3

*Note: Table excludes interns and includes fixed-term employees.

South African National Accreditation System

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	2	2	0	0	1	1	0	0
Professional Qualified	10	12	2	1	0	1	0	1
Skilled	4	5	0	0	0	0	0	0
Semi-Skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	16	20	2	1	1	2	0	1

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	0	1	0
Skilled	0	1	1	1
Semi-Skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	2	1



PART
E



PFMA

COMPLIANCE REPORT

1.	Irregular Expenditure	112
2.	Fruitless and Wasteful Expenditure	114
3.	Information on Late and/or Non-Payment of Suppliers	115
4.	Information on Supply Chain Management	116

South African National Accreditation System

1. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025	2023/2024
	R	R	
Opening Balance	0	0	0
Prior Period Errors	0	0	0
As Restated	0	0	0
Add: Irregular Expenditure Confirmed	0	0	0
Less: Irregular Expenditure Condoned	0	0	0
Less: Irregular Expenditure Not Condoned and Removed	0	0	0
Less: Irregular Expenditure Recoverable	0	0	0
Less: Irregular Expenditure not Recovered and Written Off	0	0	0
Closing Balance	0	0	0

Reconciling notes to the Annual Financial Statement disclosure

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure that was Under Assessment	0	0
Irregular Expenditure that Relates to the Prior Year	0	0
Irregular Expenditure for the Current Year	0	0
Total	0	0

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

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure Under Assessment	0	0
Irregular Expenditure Under Determination	0	0
Irregular Expenditure Under Investigation	0	0
Total	0	0

c) Details of current and previous year irregular expenditure condoned

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure Condoned	0	0
Total	0	0

d) Details of irregular expenditure removed (not condoned)

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure Not Condoned and Removed	0	0
Total	0	0

There were no instances of irregular expenditure not condoned and removed from the AFS.

e) Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure Recovered	0	0
Total	0	0

There were no instances of irregular expenditure recovered.

f) Details of irregular expenditure written off (irrecoverable)

Description	2025/2026	2024/2025
	R	R
Irregular Expenditure Written Off	0	0
Total	0	0

There were no instances of irregular expenditure not recoverable and written off.

Additional Disclosure Relating to Inter-Institutional Arrangements

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

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

There were no such instances.

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

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

2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R	R
Opening Balance	0	0
Prior Period Error	0	0
Restated Opening Balance	0	0
Add: Fruitless and Wasteful Expenditure Confirmed	0	0
Less: Fruitless and Wasteful Expenditure Written Off	0	0
Less: Fruitless and Wasteful Expenditure Recoverable	0	0
Closing Balance	0	0

Reconciliation notes

Description	2025/2026	2024/2025
	R	R
Fruitless and Wasteful Expenditure that was Under Assessment in 2025/26	0	0
Fruitless and Wasteful Expenditure that Relates to Prior Years	0	0
Fruitless and Wasteful Expenditure for the Current Year	0	0
Total	0	0

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

Description 5	2025/2026	2024/2025
	R	R
Fruitless and Wasteful Expenditure Under Assessment	0	0
Fruitless and Wasteful Expenditure Under Determination	0	0
Fruitless and Wasteful Expenditure Under Investigation	0	0
Total	0	0

There is no expenditure under assessment, determination, or investigation for the 2025/2026 financial year.

c) Details of fruitless and wasteful expenditure recovered

Description	2025/2026	2024/2025
	R	R
Fruitless and Wasteful Expenditure Recovered	0	0
Total	0	0

No expenditure was recovered for the year under review.

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

Description	2025/2026	2024/2025
	R	R
Fruitless and Wasteful Expenditure Recovered Written Off	0	0
Total	0	0

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

Disciplinary Steps Taken
None

Additional Disclosure Relating to Material Losses in terms of PFMA Section 55(2)(b)(i) &(iii))

a) Details of material losses through criminal conduct

There were no material losses.

b) Details of other material losses

There were no material losses.

c) Other material losses recovered

Not applicable, as no material losses were incurred.

d) Other material losses not recovered and written off

Not applicable, as no material losses were incurred.

3. INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value
Valid Invoices Received	608	63,316,336
Invoices Paid Within 30 Days or Agreed Period	599	63,133,440
Invoices Paid After 30 Days or Agreed Period	9	182,896
Invoices Older than 30 Days or Agreed Period (<i>Unpaid and Without Dispute</i>)	0	R0
Invoices Older than 30 Days or Agreed Period (<i>Unpaid and in Dispute</i>)	0	0

4. INFORMATION ON SUPPLY CHAIN MANAGEMENT

Procurement by Other Means

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract
Participation at the Pharma Connect Africa - 2025 CannaConnect	PharmaConnect Africa NPC	Sole source	D2025-26-01	R15,898.00
Participation at the 10th Annual Green Youth Indaba 2025 through exhibition, advertisements (website, print and radio) and panel discussion participation	Green Youth Network NPC (GYN)	Sole source	D2025-26-02	R275,000.00
Participation at the 14th Edition of the SARA Rail Conference	Southern African Railways Association (SARA)	Sole source	D2025-26-03	R138,000.00
Participation at the Test and Measurement Exhibition	National Laboratory Association - South African NPC	Sole source	D2025-26-04	R9,200.00
Training Standards	SABS	Sole source	D2025-26-05	R511,738.50
Memorial Service Set-up	Memorial Service Set-up	Sole source	D2025-26-06	R36,126.10
Training Standards	Training Standards	Sole source	D2025-26-07	R6,034.05
702 Walk the Talk	702 Walk the Talk	Sole source	D2025-26-08-Cancelled	R50,053.75
Participation at Manufacturing Indaba	Participation at Manufacturing Indaba	Sole source	D2025-26-09	R110,566.75
Participation in 702 Walk the Talk	Participation in 702 Walk the Talk	Sole source	D2025-26-10	R48,163.75
Training Standards	Training Standards	Sole source	D2025-26-11	R8,942.40
Balanced Scorecard Professional (BSP) Certified Training for 5 delegates	Balanced Scorecard Professional (BSP) Certified Training for 5 delegates	Sole source	D2025-26-12	R276,000.00
Strategic Performance Management	Balance Scorecard Solutions Africa Pty Ltd	Sole source	D2025-26-13	R414,000.00
Legal Services	Norton Rose Fullbright	Urgent case	D2025-26-14	R2,875 per hour
Participation at the 37th South African National Blood Transfusion Congress (SANBTC)	Londocor Event Management	Sole source	D2025-26-15	R2,478,62.00
University of KwaZulu-Natal Postgraduate Research and Innovation Symposium (PRIS)	University of KwaZulu-Natal	Sole source	D2025-26-16	R10,000.00
Exhibition and Participation at the 27th SMLTSA National Congress	Society of Medical Laboratory Technology of South Africa (SMLTSA)	Sole source	D2025-26-17	R427,117.47
Appointment of an Internet Service Provider for a Three-month Period	Liquid Telecommunications South Africa (Pty) Ltd	Emergency case	D2025-26-18	R65,271.93
Repair and Maintenance of Server Aircon and Kitchen Leak	Khanya Aircons and Projects	Urgent case	D2025-26-19	R14,605.00
Refilling and Serving of Generator	YTR Trading	Emergency case	D2025-26-20	R11,772.60
Appointment of the VOIP Service Provider	Liquid Telecommunications South Africa (Pty) Ltd	Urgent case	D2025-26-21	R51,000.00

South African National Accreditation System

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract
Refilling and Serving of Generator	All-in-one Generator	Emergency case	D2025-26-22	R11,807.69
Annual Subscription Renewal for CaseWare	Adapt IT Holdings Ltd	Sole source	D2025-26-23	R51,018.00
SABS Standards	SABS	Sole source	D2025-26-24	R54,550.31
SABS Standards	SABS	Sole source	D2025-26-25	R10,905.35
TOTAL				R2,955,633.65

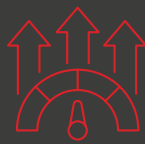
Contract Variations and Expansions

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
Dietary Requirements	Nexus Travel	Variation	N/A	R32,886.00	N/A	R32,886.00
2024 AFS	Nexia SAB & T	Variation	N/A	R1,617,068.00	R160,560.55	R23,000.00
Contract Extension	Mmampheng Security Services	Expansion	N/A	R1,505,942.16	N/A	R41,832.06
Contract Extension	HR Focus Holdings	Expansion		R480,025.52	N/A	R60,599.69
Additional Work	Experttech	Variation	N/A	R714,265.00	N/A	R105,225.00
Contract Extension	Sankofa Insurance Brokers	Expansion	N/A	R1,756,035.00	N/A	R237,984.00
Contract Extension	Labournet	Expansion	N/A	R168,249.00	N/A	R14,710.80
Additional Work	Pinpoint Health and Safety (Pty) Ltd	Variation	N/A	R11,172,250.00	N/A	R1,672,962.50
TOTAL						R2,189,200.05



PART

F



FINANCIAL STATEMENTS

1.	Independent Auditor's Report to the Board of Directors	120 - 123
2.	Accounting Authority's Responsibilities and Approval	126
3.	Statement of Financial Position	127
4.	Statement of Financial Performance	128
5.	Statement of Changes in Net Assets	129
6.	Cash Flow Statement	130
7.	Statement of Comparison of Budget and Actual Amounts	131
8.	Significant Accounting Policies	139
9.	Notes to the Annual Financial Statements	

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

Opinion

1. We have audited the financial statements of the South African National Accreditation System set out on pages 126 to 159, which comprise the statement of financial position as at 31 March 2026, Statement of Financial Performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Accreditation System as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of Lunika Chartered Accountants and Auditors Incorporated for the audit of the financial statements section of our report.
4. We are 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 our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the accounting authority for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 6 to 7, forms part of our auditor's report.
10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance 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.
11. We selected the following material performance indicators related to Programme 4 – Accreditation Provision presented in the annual performance report for the year ended 31 March 2026. We 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 additional Conformity Assessment Bodies (CABs) accredited
 - Average number of working days to issue certificates and scopes of accreditation after completion of approvals process.
 - Number of engagements undertaken with Regulators relying on SANAS accreditation for their conformity assessment needs
 - Number of investigations or unscheduled visits conducted
12. We evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. We performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the
 - public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary
 - mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. We performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
15. We did not identify any material findings on the reported performance information for the selected programme.

Other matters

16. We draw attention to the matters below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.
18. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the South African National Accreditation System's compliance with legislation.
19. We performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
20. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the 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.
21. The material finding on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

22. A material non-compliance was identified with regard to the under-declaration and underpayment of the EMP201. This is a contravention of the legislation section 51(1)(b)(ii) of the PFMA and Treasury Regulation 27.2.2.
23. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
24. Our opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and we do not express an audit opinion or any form of assurance conclusion on it.
25. Our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. We did not receive the other information prior to the date of this auditor's report. When we do
27. receive and read this information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

- 28. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.
- 29. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual financial statements included in this report.
- 30. Management did not implement effective monitoring controls over outsourced payroll services to ensure that statutory obligations were settled in full. Consequently, an under declaration and underpayment of R2 million to SARS was not detected timeously.

Lunika Inc.

Lunika Chartered Accountants and Auditors Incorporated IRBA

Practice No: 945350

Samkelo Mxunyelwa CA(SA) Registered Auditor

31 July 2026

Lonehill Office Park Sandton

Johannesburg

Accounting Authority's Responsibilities and Approval

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

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

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

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

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

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

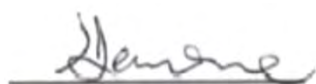
The Accounting Authority does not anticipate any major threats to SANAS' revenue generation for 2026/2027.

The Accounting Authority has reviewed SANAS' cash flow forecast for the medium term and, in light of this review and the current financial position, is satisfied that SANAS has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that SANAS is a going concern and that SANAS has neither the intention nor the need to liquidate or curtail materially the scale of SANAS. The Accounting Authority has reviewed SANAS' cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, the Accounting Authority is satisfied that SANAS has or has access to adequate resources to continue in operational existence for the foreseeable future. Although the Accounting Authority is primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on SANAS's annual financial statements. The annual financial statements have been examined by the entity's external auditors, and their report is presented.

The annual financial statements set out from page 126, which have been prepared on the going-concern basis, were approved by the accounting authority on 31 July 2026 and were signed on its behalf by:



Dr Tshenge Demana

Chairperson of The Board

Date: 31 August 2026

Statement of Financial Position as at 31 March 2026

Figures in Rand	Note(s)	2026	2025
Assets			
Non-Current Assets			
Property, plant and equipment	3	50,410,313	54,744,644
Intangible assets	4	2,692,466	3,478,830
		53,102,779	58,223,474
Current Assets			
Receivables from exchange transactions	5	14,447,944	9,667,745
Cash and cash equivalents	6	66,855,040	100,657,246
		81,302,984	110,324,991
Total Assets		134,405,763	168,548,465
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	6,443,181	6,328,926
Income received in advance	8	9,198,695	10,656,628
Provisions	9	571,482	714,163
Employee benefit obligation	10	5,576,754	8,394,967
		21,790,112	26,094,684
Total Liabilities		21,790,112	26,094,684
Net Assets		112,615,651	142,453,781
Accumulated surplus		112,615,651	142,453,781

Statement of Financial Performance

Figures in Rand	Note(s)	2026	2025
Revenue			
Revenue from exchange transactions			
Rendering of services	11	128,914,810	121,838,453
Other income		726,352	916,080
Interest received - investment	12	8,186,535	8,935,147
Total revenue from exchange transactions		137,827,697	131,689,680
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	13	29,866,000	32,118,000
Total revenue	11	167,693,697	163,807,680
Expenditure			
Employee related costs	14	(81,488,277)	(72,065,813)
Depreciation and amortisation	15	(6,059,926)	(5,175,471)
Expected credit losses	16	1,493,602	(2,228,448)
Accreditation Assessor Costs	17	(23,193,603)	(20,599,977)
Surrender of surpluses - relating to current year		(14,933,000)	-
General Expenses	18	(73,350,627)	(48,804,596)
Total expenditure		(197,531,831)	(148,874,305)
(Deficit) surplus for the year		(29,838,134)	14,933,375

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Adjusted Balance at 01 April 2024	127,520,406	127,520,406
Changes in net assets		
Surplus for the year	14,933,375	14,933,375
Total changes	14,933,375	14,933,375
Balance at 01 April 2025	142,453,781	142,453,781
Rounding	4	4
Changes in net assets Surplus for the year	(29,838,134)	(29,838,134)
Total changes	(29,838,134)	(29,838,134)
Balance at 31 March 2026	112,615,651	112,615,651

Cash Flow Statement

Figures in Rand	Note(s)	2026	2025
Cash flows from operating activities			
Receipts			
Sale of goods and services		126,866,131	129,056,428
Grants		29,866,000	32,118,000
Interest income		8,186,535	8,935,147
		164,918,666	170,109,575
Payments			
Employee costs		(86,306,490)	(70,066,637)
Suppliers		(96,549,455)	(71,056,165)
Surplus Surrender		(14,933,000)	-
		(197,788,945)	(141,122,802)
Net cash flows from operating activities	19	(32,870,279)	28,986,773
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(943,358)	(7,678,247)
Proceeds from sale of property, plant and equipment	3	11,431	19,878
Purchase of other intangible assets	4	-	(519,550)
Net cash flows from investing activities		(931,927)	(8,177,919)
Net increase/(decrease) in cash and cash equivalents		(33,802,206)	20,808,854
Cash and cash equivalents at the beginning of the year		100,657,246	79,848,392
Cash and cash equivalents at the end of the year	6	66,855,040	100,657,246

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference 31
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	110,236,000	12,901,000	123,137,000	128,914,810	5,777,810	a
Other income	135,000	-	135,000	726,352	591,352	b
Interest received - investment	4,018,000	-	4,018,000	8,186,535	4,168,535	c
Total revenue from exchange transactions	114,389,000	12,901,000	127,290,000	137,827,697	10,537,697	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	29,866,000	-	29,866,000	29,866,000	-	
Total revenue	144,255,000	12,901,000	157,156,000	167,693,697	10,537,697	
Expenditure						
Compensation of employees	(79,126,000)	(4,405,000)	(83,531,000)	(81,488,277)	2,042,723	d
Accreditation Assessor Costs	(19,693,041)	-	(19,693,041)	(23,193,603)	(3,500,562)	e
Transfer payments - Other	(922,000)	-	(922,000)	-	922,000	f
Depreciation and amortisation	(5,364,116)	-	(5,364,116)	(6,059,926)	(695,810)	
Expected credit losses	(114,937)	-	(114,937)	1,493,602	1,608,539	g
General Expenses	(39,034,906)	(77,823,000)	(116,857,906)	(73,350,627)	43,507,279	e
Total expenditure	(144,255,000)	(82,228,000)	(226,483,000)	(182,598,831)	43,884,169	
Operating deficit	-	(69,327,000)	(69,327,000)	(14,905,134)	54,421,866	
Surrender of surpluses	-	-	-	(14,933,000)	(14,933,000)	f
Deficit before taxation	-	(69,327,000)	(69,327,000)	(29,838,134)	39,488,866	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	(69,327,000)	(69,327,000)	(29,838,134)	39,488,866	

Significant Accounting Policies

Figures in Rand	Note(s)	2026	2025
-----------------	---------	------	------

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for the foreseeable future.

1.3 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.

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

Receivables from exchange transactions

SANAS assesses its trade receivables for impairment at the end of each reporting period. The gross carrying amount is reduced by the expected credit losses to reflect the amortised cost. SANAS measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. The simplified approach has been applied in determining the expected losses using a lifetime expected loss allowance measured using a provision matrix. Related party receivables are considered to be trade receivables and as a result they are also assessed using the simplified approach. A forward-looking allowance for expected credit losses is recognised based on contractual cash flows due in accordance with a contract and all the cash flows SANAS expects to receive. Trade receivables are due within 12 months and thus SANAS considered practical expediency. The delivery of a service and the payment of debt is expected to be one year or less. It is for this practical reason that trade receivables are not adjusted for a financing component. Additional disclosure on estimated credit losses is included in the Receivables from exchange transactions note 5 and Risk management note 26.

Impairment testing of assets

SANAS reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are inherently uncertain and could materially change over time.

When the carrying amount of an asset exceeds its recoverable service amount, it is impaired.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the Provisions note 9.

1.4 Property, plant and equipment

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.

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

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

Land is not depreciated.

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

Item	Depreciation method	Estimated Useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	10 to 20 years
Motor vehicles	Straight line	3 to 7 years
Office equipment	Straight line	5 to 23 years
IT equipment	Straight line	3 to 7 years

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

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

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

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

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

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

1.5 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 SANAS intends to do so;

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 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 SANAS intends to do so; or
- arises from a binding arrangement (including rights from contracts), regardless of whether those rights are transferable or separable from SANAS and obligations.

SANAS 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.

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

1.5 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Estimated Useful life
Computer software	Straight-line	10 - 12 years
Automated Accreditation Management System	Straight-line	10 years
Knowledge Transfer Management System	Straight-line	12 years

1.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

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

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

1.7 Provisions and contingencies

Provisions are recognised when:

- SANAS 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.

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.

A constructive obligation to restructure arises only when SANAS:

has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of an activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of SANAS.

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

1.7 Provisions and contingencies (continued)

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

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

Contingent assets and contingent liabilities are not recognised; however, they are disclosed when there is a possible significant and material effect on SANAS.

1.8 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 SANAS receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Rendering of services is divided into two categories, namely fee income for accreditation services and courses for training. Fee income is received for new and existing clients in terms of legislation and international standards, and for ensuring that accredited conformity assessment services are available to South African Industry and Regulators, including the Industrial Policy Priority Sectors (IPPS). Course fees are received for accreditation courses held in order to support existing and new accreditation fields within IPPS.

Service revenue for accreditation services is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the stage of accreditation completed, i.e. document review at new application, pre-assessment (where required) or initial assessment. Accreditation is only granted after successful completion of all stages and signed off by an Approval Committee. Training courses revenue is recognised when the relevant course has been attended.

Interest Income

Revenue arising from the use by others of SANAS's assets yielding interest is recognised when:

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

Interest is recognised using the effective interest rate method for financial instruments.

1.9 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, SANAS 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.

SANAS receives an unconditional grant and recognises this as revenue when there is a binding right to receive the resources. The Constitution of South Africa provides for this binding right to receive the unconditional grant from the National Revenue Fund on 1 April annually.

1.10 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

1.11 Irregular expenditure

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

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

For irregular expenditure to have occurred, the following must be present:

- expenditure incurred in contravention of, or not in accordance with legislation, and
- expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position.

1.12 Budget information

The approved budget is prepared on an accrual basis and is included in the budget of Vote 39 - Department of Trade, Industry and Competition. The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

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

1.13 Leases

SANAS classifies leases as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as an operating lease.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. For the reporting period, only operating leases were entered into.

1.14 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

- SANAS' decision to terminate an employee's employment before the normal retirement date; or
- a decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits

Short-term employee benefits are employee 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:

- Salaries, medical aid and provident fund; 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 SANAS during a reporting period, the undiscounted amount of the short-term employee benefits expected to be paid in exchange for that service is recognised:

- 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 (leave pay) 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. SANAS measures the expected cost of accumulating compensated absences as the additional amount that SANAS expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

SANAS recognises the expected cost of performance related payments when it 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.

1.15 Financial instruments

Classification

SANAS 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

SANAS 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:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

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

Initial measurement of financial assets and financial liabilities

SANAS 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.

Subsequent measurement of financial assets and financial liabilities

SANAS measures all financial assets and financial liabilities after initial recognition using the following categories: Financial instruments at amortised cost.

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

1.15 Financial instruments (continued)

Derecognition – financial assets

SANAS derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived; or
- SANAS transfers to another party substantially all of the risks and rewards of ownership of the financial asset;

Financial liabilities

SANAS 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.

Impairment testing on financial assets

SANAS recognises a loss allowance for expected credit losses on financial assets measured at amortised cost reporting date at an amount equal to the expected lifetime credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. A gain or loss on a financial asset that is measured at amortised cost is recognised in surplus or deficit when the financial asset is derecognised. Additional disclosure on estimated credit losses is included in the Receivables from exchange transactions note 5 and Risk management note 26. Notwithstanding the impairment recognised, SANAS continues to pursue recovery of the outstanding amounts through active credit management processes.

1.16 Segment information

A segment is an activity of an entity:

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

Reportable segments are the actual segments which are reported on in the segment report.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance.

1.17 Related parties

SANAS operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of SANAS and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that SANAS is transparent about its dealings with related parties.

1.17 Related parties (continued)

Related parties include:

- a. A person or a close member of that person's family is related to SANAS if that person:
 - has control or joint control over SANAS;
 - has significant influence over SANAS
 - is a member of the management of SANAS or its controlling entity.
- b. An entity is related to SANAS if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others)
 - a person identified above has significant influence over that entity or is a member of the management of its controlling entity.

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).

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

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

1.19 Surrender of Surplus

Surrender payments are recognised as expenditure in the statement of financial performance when it is certain that SANAS must pay surpluses into the National Revenue Fund in terms of section 53 of the Public Finance Management Act (PFMA).

If the surrender payment is only possible, SANAS will disclose a contingent liability.

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

2. Changes in accounting policy

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:	Expected Impact
GRAP 1 – Presentation of Financial Statements	Dates still to be determined by the Minister of Finance	Not expected to impact results but may result in additional disclosure
GRAP 103 – Heritage assets	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 105 – Transfer of functions between entities under common control	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 106 – Transfer of functions between entities not under common control	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS
GRAP 107 – Mergers	Dates still to be determined by the Minister of Finance	Not expected to impact SANAS

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

3. Property, plant and equipment

	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8,858,565	-	8,858,565	8,858,565	-	8,858,565
Buildings	55,559,047	(21,680,383)	33,878,664	55,559,047	(18,913,385)	36,645,662
Furniture and fixtures	3,492,492	(2,749,383)	743,109	3,507,362	(2,414,850)	1,092,512
Motor vehicles	1,259,392	(1,199,839)	59,553	1,259,392	(1,090,056)	169,336
Office equipment	4,326,450	(1,424,477)	2,901,973	4,444,132	(887,238)	3,556,894
IT equipment	8,979,514	(5,011,065)	3,968,449	9,426,930	(5,005,255)	4,421,675
Total	82,475,460	(32,065,147)	50,410,313	83,055,428	(28,310,784)	54,744,644

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2026	Opening balance	Additions	Disposals	Depreciation	Total
Land	8,858,565	-	-	-	8,858,565
Buildings	36,645,662	-	-	(2,766,998)	33,878,664
IT Equipment	4,421,676	866,518	(2,962)	(1,316,783)	3,968,449
Furniture and fixtures	1,092,512	-	-	(349,403)	743,109
Motor vehicles	169,336	-	-	(109,783)	59,553
Office Equipment	3,556,894	76,840	(1,166)	(730,595)	2,901,973
	54,744,645	943,358	(4,128)	(5,273,562)	50,410,313

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8,858,565	-	-	-	8,858,565
Buildings	39,412,660	-	-	(2,766,998)	36,645,662
IT Equipment	1,373,197	4,074,533	(22,153)	(1,003,902)	4,421,675
Furniture and fixtures	1,442,732	-	-	(350,220)	1,092,512
Motor vehicles	279,120	-	-	(109,784)	169,336
Office equipment	108,958	3,603,714	(263)	(155,515)	3,556,894
	51,475,232	7,678,247	(22,416)	(4,386,419)	54,744,644

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

General expenses- Repairs and maintenance	780,029	678,293
---	---------	---------

An asset verification was conducted during the financial year. Various assets were written off and the asset register was updated accordingly.

Assets with a Net Book value of R4 128 were written off with proceeds of R11 431 and profit on disposal of R7 303.

There are no property, plant and equipment pledged as security.

Useful lives and residual values of all assets were reviewed at year end.

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

4. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	835,576	(388,876)	446,700	835,576	(330,861)	504,715
Automated Accreditation Management System	6,775,114	(4,574,710)	2,200,404	6,775,114	(3,894,774)	2,880,340
Knowledge Transfer Management System	549,308	(503,946)	45,362	549,308	(455,533)	93,775
Total	8,159,998	(5,467,532)	2,692,466	8,159,998	(4,681,168)	3,478,830

Reconciliation of intangible assets - 2026

	Opening balance	Amortisation	Total
Computer Software	504,715	(58,016)	446,699
Automated Accreditation Management System	2,880,340	(679,936)	2,200,404
Knowledge Transfer Management System	93,775	(48,413)	45,362
	3,478,830	(786,365)	2,692,465

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer Software	45,868	519,550	(60,703)	504,715
Automated Accreditation Management System	3,560,276	-	(679,936)	2,880,340
Knowledge Transfer Management System	142,188	-	(48,413)	93,775
	3,748,332	519,550	(789,052)	3,478,830

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

4. Intangible assets (continued)

Intangible assets in the process of being constructed or developed

Useful lives and residual values of all intangible assets were reviewed at year end.

5. Receivables from exchange transactions

Trade debtors	10,919,564	11,096,068
Prepaid expenses	4,567,643	1,104,542
Deposits	45,000	45,000
Provision for doubtful debts	(1,084,263)	(2,577,865)
	14,447,944	9,667,745

None of the financial assets that are fully performing have been renegotiated in the last year.

Trade and other receivables

	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Gross Carrying Amount	6,087,821	254,108	237,711	458,483	715,832	586,058	2,579,550	10,919,564
Weighted ECL Loss Rate	17,81%	0,00	0,00	0,00	0,00	0,00	0,00	
Lifetime ECL	1,084,263	0,00	0,00	0,00	0,00	0,00	0,00	1,084,263

Trade and other receivables impaired

As of 31 March 2026, trade and other receivables of 1 084 263 (2025: 2 577 866) were impaired and provided for.

Only receivables in the >180 days category are allocated ECL losses. Based on historical trends this category of receivables have proven to be the most susceptible to defaulting and most at risk. The weighted ECL rate was calculated taking into account the last 3 years historical information and adjusted for forward looking factors.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

5. Receivables from exchange transactions (continued)

Movement in expected credit loss

Opening balance	2,577,866	349,418
Increase/Decrease in allowance	(1,493,603)	2,228,448
Closing balance	1,084,263	2,577,866

The ECL provision decreased in the current year due to improved controls over debt management. SANAS assessed receivables in line with the principle of forward looking in the prior year and no adjustment was required at 1 April 2025 and thus no measurement differences arose at first time adoption of GRAP 104.

Other Receivables

Prepayments relate to information technology licenses. These licenses are used for operations and will be utilised within the next 12 months.

SANAS is required by law to withhold tax based on employees' remuneration. SANAS is then required to remit the withheld tax to the South African Revenue Service (SARS) monthly. SANAS has outsourced this service and at year end, although the transfer from SANAS to the service provider had occurred, funds amounting to R2 000 000 had not yet been paid over by the service provider to SARS and have been recognised in prepayments.

A deposit of R45 000 was paid to the utilities management company as a deposit for water and electricity usage at the SANAS office building. This amount is not interest-bearing.

No collateral has been obtained over financial assets.

6. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	10,625	8,657
Bank balances	13,734,791	7,786,084
Corporation for Public Deposits	53,109,624	92,862,505
	66,855,040	100,657,246

Cash on hand consists of petty cash and foreign exchange on hold at year end.

Bank balances consist of funds in the cheque account of SANAS used for daily transactions. Surplus cash is deposited with the Corporation for Public Deposits at the Reserve Bank. Although no restrictions exist that relate to any component of cash and cash equivalent, section 53(3) of the PFMA is applicable to retention of surpluses.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

7. Payables from exchange transactions

Trade payables	6,443,181	6,328,926
----------------	-----------	-----------

8. Income received in advance

Income received in advance	9,198,695	10,656,628
----------------------------	-----------	------------

SANAS' annual fees are issued annually on 1 April; however, quotations are issued during March in order to provide customers with an indication of the new fees payable. On receipt of these quotations, customers make payments in March instead of April. In addition to this, training is booked in advance and payment is sometimes received in the current year for training that will take place in the following year. These payments will only be recorded against income when the service is rendered and are therefore recorded as income received in advance.

9. Provisions

Reconciliation of provisions - 2026

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Expenses	714,163	87,996	(122,417)	(108,260)	571,482

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Expenses	451,536	605,903	(190,185)	(153,091)	714,163

Certain services have been rendered to SANAS, however, the service providers have not billed at year end. These have been raised as expenses. The provision amount relates to bursaries that SANAS is funding.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

10. Employee benefit obligations

Reconciliation - 2026

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Performance Bonuses	3,261,317	-	(3,107,317)	(154,000)	-
Accrual leave pay	3,366,650	210,104	-		3,576,754
Pay progression	1,767,000	-	(1,767,000)		-
Employee tax payable	-	2,000,000	-		2,000,000
	8,394,967	2,210,104	(4,874,317)	(154,000)	5,576,754

Reconciliation - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Performance Bonuses	3,261,317	-	-		3,261,317
Accrual leave pay	3,134,474	232,176	-		3,366,650
Pay progression	-	1,767,000	-		1,767,000
	6,395,791	1,999,176	-		8,394,967

The provision for performance bonuses was raised in the 2022/2023 financial year. This provision was paid out in the current year after the CCMA ruling.

Accrual leave pay has been raised on outstanding leave balances for all staff members as at 31 March 2026. The provision for pay progression was raised in the 2024/2025 financial year. This was paid in the current year.

Employee tax payable relates to outstanding statutory taxes payable on remuneration.

11. Revenue

Rendering of services (Exchange revenue -Accreditation Services)	118,610,087	112,169,697
Rendering of services (Exchange revenue -Training income)	10,304,723	9,668,756
Other income	726,352	916,080
Interest received - investment	8,186,535	8,935,147
Funds received from the dtic – (non exchange revenue)	29,866,000	32,118,000

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

12. Investment revenue - Interest

Interest revenue		
Interest received - investment	8,186,535	8,935,147

Interest received has been earned from SANAS' bank account and the Corporation for Public Deposits.

13. Government grants & subsidies

Operating grants		
Funds received from dtic – (non exchange revenue)	29,866,000	32,118,000

14. Employee related costs

Basic	45,801,567	44,309,186
Bonus	4,368,909	-
Medical aid	3,008,793	2,850,338
UIF	219,785	318,654
WCA	347,896	305,416
SDL	667,948	598,254
Defined contribution plans	7,651,826	7,512,237
Other employee costs	19,421,553	16,171,728
	81,488,277	72,065,813

15. Depreciation and amortisation

Property, plant and equipment	5,273,562	4,386,419
Intangible assets	786,364	789,052
	6,059,926	5,175,471

16. Expected Credit Losses

Expected Credit Losses	(1,493,602)	2,228,448
------------------------	-------------	-----------

17. Accreditation Assessor Costs

Accreditation Assessor Costs	23,193,603	20,599,977
------------------------------	------------	------------

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
18. General expenses		
Accounting Authority emoluments	1,109,492	663,293
Advertising	754,544	1,473,221
External auditors' remuneration	386,113	386,113
Bank charges	34,386	33,478
Cleaning	290,487	255,467
Consulting and professional fees	1,760,340	177,537
Donations	238,328	270,043
HR expenses incl bursaries and staff wellness	4,235,200	2,275,654
Insurance	611,800	573,781
IT expenses	16,753,153	9,295,160
Printing and stationery	222,180	157,643
Repairs and maintenance	780,029	678,293
Security	576,660	501,985
Subscriptions and membership fees	120,431	169,770
Telephone and fax	265,227	323,658
Training	2,272,351	1,987,282
Travel - local	25,726,609	20,570,420
Electricity and water	1,141,871	952,006
International and regional responsibilities	2,846,448	1,928,965
Internal auditors' remuneration	1,274,992	891,483
Marketing costs	1,813,203	835,904
Property levies	485,076	469,893
Property rates	910,041	904,425
Project expenses	591,015	843,231
Operating lease	90,887	127,604
Other operating expenses	8,059,764	2,058,287
	73,350,627	48,804,596

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
19. Cash (used in) generated from operations		
(Deficit) surplus	(29,838,134)	14,933,375
Adjustments for:		
Depreciation and amortisation	6,059,926	5,175,471
Movements in provisions	(142,681)	262,627
Movement in tax receivable and payable	2,000,000	-
Gain on sale of assets and liabilities	(7,302)	2,538
Expected Credit losses	(1,493,602)	2,228,448
Changes in working capital:		
Receivables from exchange transactions	(1,823,496)	4,088,840
Staff debtors	-	35,051
Payables from exchange transactions	114,257	1,416,233
Income received in advance	(1,457,933)	(50,444)
Employee benefit obligations	(2,818,213)	1,999,176
Prepaid Expenses	(3,463,101)	(1,104,542)
	(32,870,279)	28,986,773

Comparative figures relating to receivables from exchange transactions have been adjusted. These figures have not been restated but rather disaggregated in a manner that allows users to have the ability to further assess the quality of cash generated from operations.

20. Operating lease

SANAS currently rents four (4) photocopy machines that classify as operating leases. The period of the lease is 36 months and three of the contracts had commenced in December 2022 with the fourth commencing in February 2023. There were escalations in the current lease leading to a 24-month extension, the lease will end in November 2027 for three of the contracts and in January 2028 for the fourth contract.

The outstanding commitment under the non-cancellable operating lease was as follows:

Up to 1 year	90,887
--------------	--------

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

21. Related parties

Relationships	
Executive Authority	Minister of the Department of Trade, Industry and Competition
Accounting Authority	Dr Tshengedzeni Demana Ms Lebogang Amelia Matlala Ms Nomvula Pamela Mhlari Dr Pulane Molokwane Dr Dharmarai Naicker Mr Bruce Gordon Dr Nandi Malumbazo Ms Silindile Ndwandwe Mr John Mazibuko Ms Anele Vutha Ms Noliitha Ntobongwana Mr Jacob Maphutha Mr Farhad Osman Mr Jonas Shai
Members of key management	Mr Farhad Osman Mr Mpho Phaloane Ms Busi Radebe Mr Jonas Shai Mr Dawood Petersen

Related party balances

Amounts included in trade receivables from exchange transactions		
Agricultural Research Council	25,872	16,152
Department of Agriculture	8,225	62,722
Council for Scientific and Industrial Research	255,695	3,858
Eskom	178,032	1,156,250
Lepelle Northern Water	-	51,002
National Health Laboratory Services	413,548	(43,987)
National Metrology Institute of South Africa	87,617	17,286
Transnet Limited	212,256	64,734
Total	1,181,245	1,328,017

Amounts included in trade payables from exchange transactions		
National Laboratory Association	-	6,785
National Regulator for Compulsory Specifications	285,635	435,883
National Metrology Institute of South Africa	96,201	9,435
	381,836	452,103

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

21. Related parties (continued)

SANAS is a schedule 3A public entity in terms of the PFMA. Transactions and balances relate to the provision of accreditation activities. Accreditation services are provided at arm's length with all CABs regardless of the nature of relationship, including related parties. SANAS elected to apply the exemption afforded by GRAP 20.34 and thus only account balances are disclosed. The abovementioned entities are organs of state and/or have a close relationship with SANAS.

2026

Name	Members Committee Fees	Total
Dr T Demana	147,996	147,996
Mr B Gordon	69,366	69,366
Dr N Malumbazo	94,920	94,920
Ms L Matlala	102,812	102,812
Mr J Mazibuko	80,052	80,052
Dr P Molokwane	125,274	125,274
Dr D Naicker	87,601	87,601
Ms S Ndwandwe	81,178	81,178
Ms N Ntobongwana	93,828	93,828
Ms A Vutha	81,317	81,317
Ms L Tlou*	32,465	32,465
Mr S Mlangeni*	18,807	18,807
Dr M Mohlala*	30,276	30,276
Ms L Mothae*	37,911	37,911
Amb S Jaffer*	25,689	25,689
	1,109,492	1,109,492

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

21. Related parties (continued)

2025 Name	Members Committee Fees	Total
Ms L Tlou	166,054	166,054
Mr S Mlangeni	127,621	127,621
Dr M Mohlala	147,179	147,179
Ms L Mothae	170,683	170,683
Mr F Wetes	29,738	29,738
Dr T Demana	6,423	6,423
Amb S Jaffer	15,597	15,597
	663,293	663,293

*The board members contract ended on the 30th of June 2026.
A new board was appointed effectively from the 1st July 2026.

Some members of the Accounting Authority were not remunerated in their personal capacity as they are employees of government or institutions, agencies or entities of government. These Accounting Authority members for the 2025/2026 financial year were as follows:

- Mr J Maphutha
- Ms N Mhlari

Some members of Executive Management were also members of the Accounting Authority and were not remunerated in their personal capacity. Their remuneration as part of Executive Management is listed in the table below. The members of management that were Accounting Authority members were as follows:

- Mr F Osman
- Mr J Shai

Executive management

2026 Name	Basic salary	Acting Allowance	Contributions to Medical aid and Provident Fund	Other benefits received	Total
Mr F Osman (ACEO)	1,382,844	792,692	413,854	590,098	3,179,488
Mr M Phaloane	2,493,222	-	103,818	370,103	2,967,143
Ms F Radebe	2,712,595	-	63,099	338,893	3,114,587
Mr J Shai	1,756,756	-	236,074	134,516	2,127,346
Mr D Petersen	1,573,965	-	314,957	243,132	2,132,054
	9,919,382	792,692	1,131,802	1,676,742	13,520,618

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

21. Related parties (continued)

2026 Name	Basic salary	Acting Allowance	Contributions to Medical aid and Provident Fund	Other benefits received	Total
Mr F Osman (ACEO)	1,197,444	482,111	376,739	342,000	2,398,294
Mr M Phaloane	2,190,035	100,060	242,869	54,000	2,586,964
Ms F Radebe	2,219,827	-	267,078	-	2,486,905
Mr J Shai	1,692,088	-	224,094	-	1,916,182
Mr D Petersen	1,400,406	-	292,155	-	1,692,561
	8,699,800	582,171	1,402,935	396,000	11,080,906

Mr F Osman was appointed as Acting CEO from 1 September 2024.

22. Going concern

We draw attention to the fact that at 31 March 2026, the entity had an accumulated surplus (deficit) of R112,615,651 and that the entity's total assets exceed its liabilities by R112,615,651.

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

23. Financial instruments disclosure

Categories of financial instruments

2026

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions (Excluding prepayments)	9,835,301	9,835,301
Cash and cash equivalents	66,855,040	66,855,040
Utilities deposit	45,000	45,000
	76,735,341	76,735,341

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	6,443,181	6,443,181

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

23. Financial instruments disclosure (continued)

2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions (Excluding prepayments)	8,518,203	8,518,203
Cash and cash equivalents	100,657,246	100,657,246
Utilities deposit	45,000	45,000
	109,220,449	109,220,449

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	6,328,926	6,328,926

24. Commitments

There was no authorised capital expenditure nor commitments already contracted for but not yet provided at year end.

25. Contingencies

Precision Meters (PTY) LTD approached the court in an urgent application during the current year to seek an interdict against SANAS and another respondent. The interdict challenged a decision by SANAS and the other respondent in how they afforded a particular technical designation to Precision Meters (PTY) LTD.

The High Court of South Africa Western Cape Division, Cape Town, delivered judgement on 28 October 2025. The judgement was against SANAS. SANAS and the other respondent were ordered to pay Precision Meters' legal costs jointly and severally. An amount for legal costs has not been disclosed, due to the fact that these costs are yet to be quantified at year end.

Request to retain cash surplus

As per Section 53(3) of the PFMA, SANAS as a Schedule 3A Public Entity may not retain cash surpluses that were realised in the previous financial year without the prior written approval of the National Treasury.

Therefore, in terms of this section and National Treasury's instruction No.12 of 2020/2021, SANAS will make a submission to National Treasury to retain surpluses for 2025/2026 in line with this instruction based on the final audited figures.

The cash surplus as per this instruction note is based on the cash and cash equivalents plus receivables less current liabilities.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

25. Contingencies (continued)

Surplus		
Cash and cash equivalents	66,855,040	100,657,246
Receivables	14,447,944	9,667,745
Less: Current liabilities	(15,641,876)	(26,094,684)
	65,661,108	84,230,307

SANAS transferred back R14 933 000 to the National Revenue Fund for surpluses realised in 2024/2025 financial year. This transfer has been recognised in the statement of financial performance in accordance with the abovementioned National Treasury Instruction. Comparative figures are not comparable as they were prepared based on a previous Treasury instruction.

26. Risk management

Financial risk management

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

SANAS' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. The Accounting Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Liquidity risk

SANAS's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash and cash equivalents are sufficient to settle current liabilities.

Trade and other payables - Less than a year	6,443,181	6,328,926
---	-----------	-----------

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. SANAS only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. SANAS considers cash and cash equivalents to have a low credit risk based on the credit ratings of the counterparties. The estimated credit loss was therefore deemed to be immaterial.

Trade receivables consist largely of Conformity Assessment Bodies (CABs). These CABs are spread across diverse industries and geographical areas. Management evaluated credit risk relating to customers on an ongoing basis. All trade receivables are assessed in the same manner. In assessing trade receivables, various factors including future economic forecasts are considered, to ascertain the risk of CABs ability to settle the receivable.

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

26. Risk management (continued)

The expected loss rates are based on historical losses (adjusted for forward looking information) over a period of 3 years preceding 31 March 2026. Forward looking information includes any changes in the economic environment and any future outlook in the industry in which the debtor operates.

SANAS presumes that credit risk on trade receivables has increased significantly since initial recognition when contract payments are more than 90 days past due, unless there is reasonable and supporting information demonstrating otherwise. CABs have an option to enter payment arrangements and these are not considered credit impaired. Trade receivables are considered low in risk if the CAB has made payment or part payment in the last financial year. The 30 day past due presumption on trade receivables is not used by SANAS. For the purposes of assessment, trade receivables are grouped into those that have not made a payment in two years, those that have not paid current annual fees and have not made arrangements, those that have withdrawn their accreditation and those that have been liquidated. Expected credit losses are recognised in the statement of financial performance.

Financial assets exposed to credit risk at year end were as follows:

Trade and other receivables	9,880,301	8,563,203
Cash and cash equivalents	66,855,040	100,657,246
	76,735,341	109,220,449

No collateral has been obtained over financial assets.

Market Risk

Interest rate risk

Surplus funds invested attract interest rates that vary in relation to the prime rate. The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus or deficit.

Sensitivity Analysis: Holding all other variables constant, a 100 basis points movement in interest rates would have a R81 865 impact on deficit for the current year (2025: R89 351). A 200 basis points movement in interest rate would have a R163 730 impact on deficit for the year (2025: R178 702).

Fair value interest rate risk

Foreign exchange risk

The entity operates internationally but invoices only in South African Rands. The entity does not hedge foreign exchange fluctuations as the number of international transactions is limited, thus the entity is not exposed to significant foreign exchange risk as such a sensitivity analysis has not been provided as it would not be representative. The entity reviews its foreign currency exposure, including commitments on an ongoing basis.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025
-----------------	------	------

27. Events after the reporting date

There were no significant events after the reporting date.

28. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the 2025/2026 period.

29. Irregular expenditure

No irregular expenditure was incurred during the 2025/2026 period.

30. Segment information

General information

Identification of segments

SANAS' place of operations is at Libertas Office Park, Equestria, Pretoria. The Administration and Corporate Services are non-segmental information.

Information reported about these segments is used by management as a basis for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Administration	Policy development, financial management, legal and administrative support
Corporate Services	Human Resources (HR) management, quality management, information and communication technology and communication and marketing
Strategy and Development	Research and development of new accreditation programmes, knowledge transfer and regional and international development
Accreditation	Accreditation assessments and good laboratory practice monitoring

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

30. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2026

Revenue	Administration	Corporate Services	Strategy and Development	Accreditation Provision	Total
Funds received from dtic - Grant	29,866,000	-	-	-	29,866,000
Revenue from exchange transactions	-	-	10,304,723	118,610,087	128,914,810
Interest revenue	8,186,535	-	-	-	8,186,535
Sundry Income	726,352	-	-	-	726,352
Total segment revenue	38,778,887	-	10,304,723	118,610,087	167,693,697
Entity's revenue					167,693,697
Expenditure					
Salaries and wages	39,462,183	-	-	42,026,093	81,488,277
Other expenses	9,110,531	30,718,973	4,741,844	65,412,280	109,983,628
Depreciation and amortisation	6,059,926	-	-	-	6,059,926
Total segment expenditure	54,632,640	30,718,973	4,741,844	107,438,373	197,531,830
Total segmental surplus/(deficit)	(15,853,753)	(30,718,973)	5,562,879	11,171,714	(29,838,133)

2025

Revenue	Administration	Corporate Services	Strategy and Development	Accreditation Provision	Total
Funds received from dtic - Grant	32,118,000	-	-	-	32,118,000
Revenue from exchange transactions	-	-	9,668,756	112,169,697	121,838,453
Interest revenue	8,935,147	-	-	-	8,935,147
Sundry Income	916,080	-	-	-	916,080
Total segment revenue	41,969,227	-	9,668,756	112,169,697	163,807,680
Entity's revenue					163,807,680
Expenditure					
Salaries and wages	37,235,035	-	-	34,830,778	72,065,813
Other expenses	5,933,745	20,007,458	3,088,393	42,603,425	71,633,021
Depreciation and amortisation	5,175,471	-	-	-	5,175,471
Total segment expenditure	48,344,251	20,007,458	3,088,393	77,434,203	148,874,305
Total segmental surplus/(deficit)	(6,375,024)	(20,007,458)	6,580,363	34,735,494	14,933,375

Notes to the Annual Financial Statements

Figures in Rand

2026

2025

31. Budget differences

Comparison of amounts

The following are the explanations of material differences as required by paragraph 12(c) of GRAP 24.

- Rendering of services revenue exceeded budget due to additional CABs that were accredited in the year.
- Other income exceeded budget due to recoveries on debt previously written off and a reversal of an unutilised bonus provision amount.
- Interest Income exceeds budget due to higher cash reserves. These reserves were because of both higher revenue and the retention of surplus from the 2024/2025 financial year.
- Employee Costs were lower than budget due to a vacancy in the CEO position.
- Goods and services costs were higher than budget due to variable costs relating to accreditation, matching the increased activity of increased CABs. Additionally, costs relating to information technology infrastructure were incurred.
- Funds were transferred to the National Laboratory Association in the previous year in line with an agreement. This agreement has expired and no funds have been transferred in the last two years.
- Expected Credit Losses relates to movements in the provision for doubtful debts. For the current year, it is management's best estimate that less debtors will not be able to pay their debts.

Budget and classification

Budget for the year is prepared on an accrual basis and is included in the budget Vote 39 – Department of Trade, Industry and Competition.

The approved budget covers the fiscal year 1 April 2025 – 31 March 2026.

32. Transitional provisions

Transitional provision for GRAP 104 Financial Instruments was adopted in the current year. No measurement differences arose in comparative figures and thus no adjustment was effected to the opening accumulated surplus. Additionally, comparatives were not restated and thus the gross carrying amount of financial instruments has not been adjusted. On initial adoption of the revised GRAP 104 Financial Instruments Standard, the entity assessed the classification and measurement of all financial assets and financial liabilities in accordance with the requirements of the revised standard. The assessment concluded that there were no changes to the measurement categories previously under GRAP 104 (2009). Accordingly, no financial assets and financial liabilities were reclassified on transition to the revised standard. There were therefore no changes in the carrying amounts of financial instruments arising from:

- Reclassification between measurement categories: or
- Changes in measurement attributes on transition to the revised standard.

The adoption of the revised GRAP 104 standard did not have a material impact on the entity's statement of financial position, statement of financial performance, or accumulated surplus/ (deficit).

Class of financial instrument	Original category under GRAP 104 (2009)	Carrying amount under GRAP 104 (2009)	New category under revised GRAP 104	Carrying amount under revised GRAP 104	Reclassification adjustments	Measurement adjustments on transition
Financial assets						
Trade receivables	Amortised cost	8,518,203	Amortised cost	8,518,203	0	0
Cash and cash equivalents	Amortised cost	100,657,246	Amortised cost	100,657,246	0	0
Financial liabilities						
Trade payables	Amortised cost	6,328,926	Amortised cost	6,328,926	0	0

CONTACT US



303 LIBERTAS
OFFICE PARK
HIGHWAY STREET,
EQUESTRIA



+27 (0) 12 740 8400



WWW.SANAS.CO.ZA



RP189/2025
ISBN: 978-1-77997-896-7



9 781779 978967