



2015/16

# ANNUAL REPORT

OF THE DEPARTMENT OF LABOUR

For the men and women who toil every day to make this country what it is through their hard work, the Department of Labour is dedicated to working tirelessly to ensure that vulnerable workers are protected and we will strive to promote **greater equity in the labour market**.

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# labour

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MN OLIPHANT | MP, Minister of Labour



SP HOLOMISA | MP, Deputy Minister of Labour



T LAMATI | Director-General

It is my privilege and honour to submit to you the Annual Report of the Department of Labour for the period 1 April 2015 to 31 March 2016, in terms of the Public Finance Management Act, 1999.



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# PART A

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## 1. ADMINISTRATION

### 1.1 DEPARTMENT'S VISION

The Department of Labour strives for a labour market which is conducive to investment, economic growth, employment creation and decent work.

### 1.2 LIST OF ABBREVIATIONS/ACRONYMS

AG	Auditor-General
BCEA	Basic Conditions of Employment Act
BRRR	Budgetary Review and Recommendation Report
CCMA	Commission for Conciliation, Mediation and Arbitration
CF	Compensation Fund
CS	Corporate Services
CFO	Chief Financial Officer
COO	Chief Operations Officer
CIO	Chief Information Officer
COIDA	Compensation for Occupational Injuries and Diseases Act
DG	Director-General
DPSA	Department of Public Service and Administration
EEA	Employment Equity Act
EPWP	Extended Public Works Programme
ESSA	Employment Services of South Africa
HO	Head Office
HRM	Human Resource Management
ICD	Integrated Client Database
IES	Inspection and Enforcement Services
ILO	International Labour Organisation
LMIS	Labour Market Information and Statistics
LP and IR	Labour Policy and Industrial Relations
LRA	Labour Relations Act
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
OHS	Occupational Health and Safety
PDP	Personal Development Plan
PES	Public Employment Services
PFMA	Public Finance Management Act
PPP	Public Private Partnership
RME	Research, Monitoring and Evaluation
SEE	Supported Employment Enterprises
UIF	Unemployment Insurance Fund



## 1.3 FOREWORD BY THE MINISTER

Mildred Oliphant

We have seen a remarkable evolution in the labour relations environment since the Democratic Government came to power in 1994. Today workers are able to seek employment wherever they choose and once in employment, they can count on protection against unfair labour practices. Workers today can sit around the table with the employers and negotiate their working conditions. These things did not fall from the sky, but it was as a result of the hard work of Government and those who are the friends of progress. Today we can all be proud that domestic workers and farm workers enjoy the same protection under the law, like any other worker.

There is not a single ambition in the Country's Constitution and by extension, the Freedom Charter that has not been enhanced in our various pieces of labour laws. Our labour laws are indeed a master piece and an international benchmark by all standards. This is confirmed by the international recognition that South Africa enjoys in the United Nations Bodies such as the International Labour Organisation. As a country we have become a beacon of hope internationally and a testimony that the ILO Conventions are not merely a pipe dream, but important instruments to realise social justice.

The year under review has been characterised by our efforts to raise awareness and bedding down the recently amended labour laws. This we have done with relative success and we will continue in these initiatives going forward. The Unemployment

Insurance Amendment Bill is nearing completion in Parliament and soon to follow in its footsteps, is the Compensation of Occupational Injuries and Diseases Amendment Bill which is currently going through internal government processes.

The implementation of the Action Plan to address the challenges in the Compensation Fund is showing good progress with the new Commissioner and his team firmly in the driving seat. Work on the National Minimum Wage has also progressed and the engagements are now at an advanced stage.

I would like to thank the Portfolio Committee and the Select Committee for their support and the work they do in their oversight role over the Department. The support and work of the Deputy Minister of Labour is much appreciated. Thanks also goes to our Social Partners, Organised Business and Organised Labour, the Department, its entities and staff for their effort and contributions.

The focus for the year ahead is aptly captured in our Strategic Plan and the Annual Performance Plan. Our emphasis going forward will focus on maximising the positive social and economic impacts of our programmes.

I proudly present the Annual Report of the Department for the 2015/16 Financial Year.

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**MN Oliphant, MP**  
Minister of Labour

## 1.4 DEPUTY MINISTER'S STATEMENT

Phathekile Holomisa



The South African Constitution requires public administration to be development oriented (Section 195(3)). Studies of developmental states indicate that the public service - in other words government departments - is the engine that drives the developmental agenda. This agenda includes the promotion of sound employment conditions and labour relations in the workplace.

In the year under review, as delegated by the Minister, I continued to look into and gained a broader perspective on our service delivery environment in the provinces and labour centres. It is sufficient to state that some of the observations and lessons learnt will form part of the key strategic interventions highlighted by the Accounting Officer in the Annual Report of the Department of Labour 2015/16. In order to amplify the aforementioned and worth mentioning in this regard are the two key strategic interventions, namely:

- Developing a service delivery model and establishing a network of integrated service delivery points as close as possible to the people
- Establishing strategic partnerships for collaboration in creating and delivering value to citizens.

With reference to the enabling of our labour relations environment, and attendant socio-economic effect, definitive

strides have been made in this term of Government to transform the labour relations regimen. A cursory glance at the anecdotal evidence of the amended labour laws points us to a need to closely monitor the effects and impact of our legislation through, inter alia, research methods so as to be able to keep our fingers on the pulse. Notable, in this regard, is the promulgation in the year under review of the Employment Services Act 2014. This is a paradigm shift with respect to, amongst others, the operation of the public employment services, including the regulation of private employment agencies and temporary employment services.

Whilst there are challenges as outlined in the 2015/16 Annual Report of the Department of Labour, it is also equally important that we record that there are areas of significant improvement such as, the Inspectorate and Enforcement Services Branch, as well as the above board performance of labour market institutions like Productivity South Africa, the National Economic Development and Labour Council and the Commission for Conciliation, Mediation and Arbitration.

Our Minister has led from the front and I wish to thank her for the insight and sound leadership displayed during this period, coupled with the support of management and staff of the Department of Labour, led by the Director-General.

**I thank you.**

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**SP Holomisa, MP**  
Deputy Minister of Labour



## 1.5 REPORT OF THE ACCOUNTING OFFICER

TO THE EXECUTIVE AUTHORITY AND PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

Thobile Lamati

### 1.5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT.

The mandate of the Department is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- Improved economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Provide value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for competitiveness of enterprises which is balanced with the promotion of decent employment.

The Department derives its mandate from the Constitution of the Republic of South Africa and gives effect thereto through a number of acts which regulate labour matters in South Africa. Such legislation includes the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), and the Occupational Health and Safety Act (1993).

### 1.5.2 CHALLENGES FACING THE DEPARTMENT AND KEY INTERVENTIONS

#### 1.5.2.1 MODERATING WORKPLACE CONFLICT

Recent years have witnessed strikes of long duration as well as strikes marked by violence, intimidation of non-striking workers, damage to property and deaths. There is no clear decline in the number of strikes occurring in South Africa. The most extreme incident was the strike action at Marikana on 16 August 2014.

## KEY INTERVENTIONS

The high level of conflict in labour relations led to the President's call on the social partners to deliberate on the state of the labour relations environment, finding consensus on ways of effectively dealing with prolonged strikes and violence associated with industrial action. This call was made in the State of the Nation address in 2014 and has been followed by a Labour Relations Indaba held on 4 November 2014. The Department is closely involved in on-going discussions taking place with the social partners under the auspices of NEDLAC.

### 1.5.2.2 DEALING WITH WAGE INEQUALITY AND THE IMPLEMENTATION OF A NATIONAL MINIMUM WAGE

Wage inequality is commonly viewed as a feature of the South African labour market that contributes to industrial relations instability. Wage demands are the most common cause of industrial action in the country.

## KEY INTERVENTIONS

The President's call on the social partners included a call to deliberate on low wages, wage inequalities and the modalities for introducing a national minimum wage and the Labour Relations Indaba of 2014 therefore included a focus on addressing wage inequality.

In addition to participating in discussions with social partners on a national minimum wage and wage inequality at NEDLAC, the Department is assessing income differentials in terms of the Employment Equity Act and continues to review minimum wages set by Sectoral Determinations in terms of the Basic Conditions of Employment Act. Both these actions are contained in the Annual Performance Plan.

### 1.5.2.3 KEY STRATEGIC INTERVENTIONS TO ADDRESS OPERATIONAL CHALLENGES

- Undertaking a significant Business Improvement and Change Programme to transform the Department's operations
- Ensuring that service delivery staff is empowered to deliver on the entire suite of the Department's services
- Developing and creating an environment of accountability for service delivery
- Developing a service delivery model and establishing a network of integrated service delivery points as close as possible to the people
- Establishing strategic partnerships for collaboration in creating and delivering value to citizens
- Improving the quality and performance of the labour market in order to strengthen the country's economic prospects
- Leveraging the transformative nature of Public Employment Services to decrease poverty and unemployment
- Putting in place measures to encourage continuous learning, development and innovation by those serving at the point of contact with clients.

## 1.5.3 OVERVIEW OF THE RESULTS OF THE DEPARTMENT

Our Annual Report seeks to reflect the Department's performance in implementing its Strategic Plan and Annual Performance Plan for the 2015/16 financial year. The performance of the Department is largely influenced by a number of internal and external factors. During the course of the financial year, under review, the Department implemented a number of changes to mitigate the aforementioned internal and external factors. We had to navigate through these internal and external factors utilising limited resources at our disposal.

We therefore consider ourselves fortunate because we have highly dedicated employees who ensured that we achieve our vision of converting our strategic plans into reality for the benefit of many South Africans. It goes without saying that our strategic planning process indeed enabled us to realistically and comprehensively assess our strengths and limitations as an organisation; hence the improved performance during the financial year under review. The improvement may not be significant; however it suggests that we are moving towards the right direction.

**It should be noted that the improved performance is as a result of the following:**

### GOVERNANCE

During the financial year under review we ensured that we embark on the journey of good governance by ensuring that there is accountability; transparency; respect for rule of law; responsiveness; inclusivity; effectiveness and efficiency. These principles assisted us in ensuring that the process of decision making; implementing decisions and dealing with consequences are put in place. We therefore reviewed a number of policies and governance frameworks; which are beginning to bear positive results. We are not saying all the decisions taken are good decisions; however what is important and acknowledged is that they were taken and followed by accountability.

### STRATEGIC DIRECTION

During our strategic planning we assessed our strengths and limitations and agreed that it is important to review our business model given the continuous changes in our labour market landscape. We therefore realigned our strategic objectives having at the back of our minds our strengths and limitations. The impact of the decision taken seems to suggest that we are one step towards the right direction in terms of responding to labour market changes and challenges.

The Labour Activation Programme, Turnaround Solutions and Training Layoff Scheme are some of the initiatives which we used to respond to the challenge of job losses and unemployment. Through lessons learnt during the financial year under review we realised that integration of these initiatives with the Public Employment Services strategic objective will go a long way in contributing to decent employment creation.

### FINANCIAL MANAGEMENT

Due to limited resources, we made a number of hard decisions with far reaching implications to keep our head above water and ensure that we operate within the financial management legal framework. I must emphasise that these decisions, hard as they may be, are not regretted. The Voted Funds for compensation of employees were the biggest challenge during the financial year under review. We then decided to freeze vacant posts which became vacant before the beginning of the financial year under review.

A thorough analysis of the challenge was done and we took a further decision to abolish non-core vacant posts and focus on filling core and strategic positions. Although this approach had a knock on effect on our vacancy rate, it assisted in managing an inevitable situation of overspending in the area of compensation of employees. We further had to review our spending pattern in goods and services and took a decision to do away with the nice to have and spent on a need basis. In the absence of these hard decisions our financial report could have been far worse.

### OPERATING ENVIRONMENT

We took a decision to undergo a vigorous face lift in this particular area and I must emphasise it was unavoidable. Following our strategic decision to review our business model we had to re-align our skills and capabilities with our strategic direction. We took a decision to reshuffle ourselves from top management to the lower ranks of our staff across the organisation. The process is still on –going and starting to bear positive results. I cannot deny that there were casualties during this intense process; however it was for the benefit of the organisation and the citizens of our country.

Progressive discipline and consequential management have been the driving force in bringing stability in our operating environment. We ensured that our approach to zero tolerance to fraud and corruption is fully understood and respected across all levels of our staff. We could have achieved more in this area if we did not have limited capacity in the Risk Management; Internal Audit and Employee Relations units. We are curious to see what picture will be painted by the Public Service Commission in the Department's Profile for the financial year under review.

During the financial year under review we also ensured that our monitoring and evaluation processes respond to the government monitoring and evaluation framework. Furthermore we intensified our performance management systems to respond to gaps identified by the Auditor General. The level of accountability in this area has been raised to the highest level.

In conclusion, the Annual Report for 2015/16 will show that our overall performance for the financial year under review has improved compared to the past financial years. In our view this is a sign that we are moving towards the right direction.

I must say that the improved performance reflects our focus in driving change on how we conduct our business for the benefit of the citizens of the Republic of South Africa. Our innovative service delivery initiatives yielded positive results in many areas of our work and can attest that we fulfilled our Constitutional mandate as outlined in our Strategic Plan and Annual Performance Plan of the 2015/16 financial year.

The Department of Labour's leadership extends its appreciation to the Minister and the Deputy Minister for their support; political guidance and leadership provided during the financial year under review. We also wish to acknowledge and extend a word of appreciation to our staff for their contribution, they have really risen to the challenge and became activists. "An activist is not the one who says the river is dirty; but the one who helps clean the river" (Ross Perot). We therefore undertake to continue to be activists and help clean the river.

## 1.5.4 PROJECTS FOR THE YEAR AND FUTURE YEARS

### ENFORCING DECENT WORK PRINCIPLES

The Department aims to ensure that employers adhere to employment equity plans and decent work principles and that vulnerable workers are protected. Over the medium-term, the Department plans to enhance enforcement by increasing the number of inspections for compliance with labour legislation. However, the Department has faced challenges in both, retaining inspectors and finding suitable, specialised candidates. The R 64 million allocated for an additional 124 labour inspectors in 2016/17 was withdrawn, with the implications that it would no longer be possible to add inspectors or fill some of the vacancies. This will seriously hamper the ability to increase the number of inspections from 2014/15 to 2019/20 with 30% as required in the MTSF.

### SUPPORTING WORK-SEEKERS

The National Development Plan sets an employment target of 11 million jobs to be created by 2030. To support the achievement of this target, the Employment Services Act (2014) aims to provide free public employment services and regulate private employment agencies. The Department's employment services system is an IT portal where work-seekers can register as unemployed and provide information about their work experience, qualifications and the kind of work they are looking for. Employers can use the portal to register vacancies and other opportunities they may have, such as training, learnerships, and internships. The system matches work-seekers to opportunities, and after an assessment process, refer work-seekers to employers. To increase the number of registered work-seekers and the number of work-seekers placed in registered employment opportunities, the Department will host road shows, run advocacy campaigns, integrate the employment services system with the Unemployment Insurance Fund, the Compensation Fund and national learner database systems and establish partnerships with other stakeholders such as the Department of Higher Education and Training, the Department of Public Works, the National Youth Development Agency, organised business, and municipalities. Through a new counselling strategy, the Department aims to get work-seekers job ready and thus reduce the time it takes to place a work-seeker.

### REGULATING THE WORKPLACE

The Department will focus on setting standards to reduce inequality in pay and minimum wages for all vulnerable workers and to improve compliance with the Employment Equity Act (1998). The Department will review 12 Sectoral determinations between 2014/15 and 2017/18 to regulate agreements on benchmarks for pay inequality and then conduct an assessment of pay scales to ensure that the gaps in minimum wage determinations are reduced. The Department will also investigate the introduction of a national minimum wage and determine its likely impact on wage structure, inequality, employment and the living standard of workers. These activities are funded in the Labour Policy and Industrial Relations Programme. In addition, the Department will transfer R 2.3 billion over the medium-term from this programme to the Commission for Conciliation Mediation and Arbitration and R 90.9 million to the National Economic Development and Labour Council.

## 1.5.5 FUTURE PLANS OF THE DEPARTMENT

- a) Amendment of the Unemployment Insurance Act No. 63 of 2001. These changes relate to improvements of benefits and administrative changes regarding submission of information by employers to the Fund.
- b) Issue regulations in terms of the Employment Services Act. The new Employment Services Act aims to strengthen the provision of employment services within the department and to repeal employment services provisions in the Skills Development Act.

- c) Amendment of the Compensation for Occupational Injuries and Diseases Act. Develop a rehabilitation, re-integration and return-to-work policy for injured workers to ensure integration with other South African policies and programmes, which provide a framework for rehabilitation of people with disabilities which stress the importance of vocational integration.
- d) Amendment of the OHS Act, 85 of 1993 - Although the OHS Act has placed responsibility of creating a healthy and safe working environment on the employers, the provisions compelling employers to do this are very vague. In order to address these shortcomings, it is necessary that the OHS Act in its current form be amended in order to ensure that:
- Employers develop and implement a health and safety management system
  - Penalties issued to employers are increased
  - Inspectors are enabled to issue prescribed fines immediately.
- e) Amendment of the Basic Conditions of Employment Act - The Basic Conditions of Employment Amendment Act, 2013 (Act No.20 of 2013) was assented into law on 4 December 2013 and subsequently published in the Government Gazette on the 9th of December 2013.
- f) Amendment of the Employment Equity Act, 1998 - The Employment Equity Amendment Act, 2013 (Act No.47 of 2013) was assented into law on 14 January 2014 and subsequently published in the Government Gazette on the 16th January 2014. Both the Employment Equity Amendment Act, 2013 and its Employment Equity Regulations, 2014 were promulgated on 1 August 2014.

## 1.5.6 OVERVIEW OF REVENUE RECEIVED

### 1.5.6.1 DEPARTMENTAL RECEIPTS

Departmental receipts	2015/2016			2014/2015		
	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
Sales of goods and services other than capital assets	4 511	4 141	370	3 277	3 956	(679)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	1 506	1 009	497	60	4	56
Interest, dividends and rent on land	1 380	1 303	77	1 417	1 318	99
Sale of capital assets	300	105	195	-	1 108	(1 108)
Financial transactions in assets and liabilities	5 116	3 498	1 618	5 338	4 769	569
<b>Total</b>	<b>12 813</b>	<b>10 056</b>	<b>2 757</b>	<b>10 092</b>	<b>11 155</b>	<b>(1 063)</b>

#### 1.5.6.1.1 Determination of tariffs

The Department determines tariffs for services rendered according to the Occupational Health and Safety Act 1993 (Act no. 85 of 1993) and the Labour Relations Act (Act no. 66 of 1995) which was approved and published in the Government Gazette (Refer to Note 2: Departmental Revenue in the Annual Financial Statements).

#### 1.5.6.1.2 Free Services

The Department does not render free services that would have yielded significant revenue had a tariff been charged.

#### 1.5.6.1.3 Reasons for over/under collection of revenue

The main reason for the under collection of revenue is due to the fact that the Department could not forecast the exact amount to be received in respect of insured vehicles written-off and less debts recovered than anticipated.



## 1.5.7 OVERVIEW OF EXPENDITURE PER PROGRAMME

Programme Names	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	814 047	745 637	68 410	764 919	675 957	88 962
Inspection and Enforcement Services	472 894	472 894	-	432 405	430 878	1 527
Public Employment Services	497 297	485 099	12 198	481 533	465 264	16 269
Labour Policy and Industrial Relations	919 996	908 365	11 631	867 435	847 837	19 598
<b>Total</b>	<b>2 704 234</b>	<b>2 611 995</b>	<b>92 239</b>	<b>2 546 292</b>	<b>2 419 936</b>	<b>126 356</b>

### 1.5.7.1 BUDGET ALLOCATION FOR THE 2015/16 FINANCIAL YEAR

The original allocation for Vote 28: Labour, as included in the Estimates of National Expenditure for 2015/16, was reflected as R 2 686 867 000. This included a provision in respect of Transfer Payments to the value of R 956 216 000.

During the 2015/16 Adjustment Budget process, the allocation for Vote 28: Labour increased by R 17 367 000 or 0.64% due to funds approved for the increase of personnel expenditure.

The final allocation for Vote 28: Labour therefore reflected in the Adjusted Estimates of National Expenditure as R 2 704 234 000 which included R 1 009 217 000 in respect of Transfer payments.

As per the Appropriation Statement for the Department, in respect of the 2015/16 financial year, the total expenditure defrayed against the Vote is recorded as R 2 611 995 000. This represents an expenditure level of 96.59%. An underutilization of R 92 239 000 or 3.41% is reflected.

### 1.5.7.2 REASONS FOR UNDER SPENDING

#### Programme 1: Administration

The under spending on current payments are mainly attributable to the following reason:

- The Department received a claim from the Department of Public Works (DPW) amounting to R 78 million. This claim was disputed by the Department and DPW could not provide sufficient evidence to support the claim. The full amount of the claim was not paid resulting in an under expenditure.

#### Programme 3: Public Employment Services

- The underspending is mainly due to less than anticipated claims from the Compensation Fund in respect of compensation for injuries on duty.

#### Programme 4: Labour Policy and Industrial Relations

The under spending is mainly due to:

- GCIS did not provide the invoices for the Employment Equity Awards Awareness campaigns timely
- Research projects for the Research, Monitoring and Evaluation Agenda 4 did not commence in the financial year under review.

### 1.5.7.3 IMPACT ON PROGRAMMES AND SERVICE DELIVERY

No negative impact on programmes or service delivery.

### 1.5.7.4 ACTIONS TAKEN OR PLANNED, TO AVOID RECURRENCE

- Payments to DPW regarding leases for office buildings will be closely monitored during the 2016/17 financial year
- Improved communication with GCIS to obtain invoices timely.

### 1.5.7.5 VIREMENT APPLIED

Virement was applied as follows:

Programme		
Shifted from	Shifted to	R'000
Programme 1: Administration	Programme 2: Inspection and Enforcement Services	1 064
Programme 3: Public Employment Services: Non profit institutions: Deaf Federations of South Africa.	Programme 3: Public Employment Services: Non profit institutions: South African National Council for the Blind and National Council for Persons with Physical Disabilities.	92
Programme 3: Public Employment Services: Current Payments and Goods & Services.	Programme 3: Public Employment Services: Non profit institutions: Transfers & Subsidies.	50 121
Programme 4: Labour Policy & Industrial Relations: Goods and services as well as from Compensation of Employees.	Programme 4: Labour Policy & Industrial Relations (Transfers to International Labour Matters)	1 956

#### Programme 1 and 2

An amount of R 1 064 000.00 was shifted from Programme 1: Administration to Programme 2: Inspection and Enforcement Services (Approved by the Accounting Officer).

#### Programme 3

Treasury approval was granted (dated 8 March 2016) to apply virement within Programme 3: Public Employment Services. An amount of R 92 813.06 was shifted from Non-profit institutions: Deaf Federation of South Africa to Non profit institutions: South African National Council for the Blind and National Council for Persons with Physical Disabilities.

Treasury approval was granted (dated 23 September 2016) to apply virement within Programme 3: Public Employment Services. The amount of R 50 121 000.00 was shifted from Current Payments (Compensation of Employees R 43 610 000.00 and Goods and Services R 6 500 000.00) to Non-profit institutions (Transfers and Subsidies).

#### Reason for Virement

Reclassification of funds due to submission of supporting documentation of work done after the end of the previous financial year (2014/15), by the councils and therefore payments could not be effected during the previous financial year.

#### Programme 4

Treasury approval was granted (dated 12 February 2016) to apply virement within Programme 4: Labour Policy and Industrial Relations. The amount of R 1 956 329.00 was shifted from Goods and Services and Compensation of Employees to Transfers and Subsidies.

#### Reason for Virement

Due to an increase in the exchange rate, it was projected that there will be an over-expenditure of R 1 956 329.00, in respect of subscription fees to the African Regional Labour and Administration Centre (ARLAC) (R 122 959.00) and the International Labour Organisation (ILO) (R 1 833 370.00).

#### Programme 1 - 4

#### Economic Classification

Funds were shifted within a main division of the Vote to adjust the economic classification of expenditure (approved by the Accounting Officer). Refer to Appropriation Statement for detail in this regard.

### 1.5.8 UNAUTHORISED, FRUITLESS AND WASTEFUL AND IRREGULAR EXPENDITURE

No Unauthorised Expenditure was reported during the 2015/16 financial year. Irregular expenditure as well as Fruitless and Wasteful Expenditure incurred by the Department are disclosed in Note 24 and 25 of the Annual Financial Statements.

### 1.5.9 PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department did not enter into any Public Private Partnership (PPP) as at 31 March 2016.

### 1.5.10 DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED.

The Department has not identified any activities to be discontinued. The Department of Labour renamed the Sheltered Employment Factories (SEE) to Supported Employment Enterprises (SEE). This entity provides employment opportunities to people with disabilities.

### 1.5.11 NEW OR PROPOSED ACTIVITIES.

No new activities have been proposed.

### 1.5.12 SUPPLY CHAIN MANAGEMENT (SCM)

#### 1.5.12.1 UNSOLICITED BID PROPOSALS CONCLUDED FOR THE YEAR UNDER REVIEW

No unsolicited bid proposals concluded for the year under review.

#### 1.5.12.1 THE FOLLOWING SCM PROCESSES AND SYSTEMS ARE IN PLACE TO PREVENT IRREGULAR EXPENDITURE

- Checklists were developed to ensure accountability of all officials involved. This enables officials to be more vigilant when processing procurement transactions
- An irregular expenditure register is in place and all possible irregular expenditure is investigated to condone or determine responsibility in order to recover the amount involved
- Disciplinary steps taken against officials who transgress in this regard
- Procedure manuals were updated and communicated to all officials
- Training was provided to officials to inform them of the correct procedures to be followed during the procurement process
- Financial inspections conducted at the Provincial Offices to assist officials to avoid the reoccurrence of Irregular Expenditure.

#### 1.5.12.3 CHALLENGES EXPERIENCED IN SCM AND HOW THEY WERE RESOLVED

The main challenge remains understaffing at Provincial level.

### 1.5.13 GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

The Department did not receive any gifts or donations in kind during the 2015/16 Financial Year.

### 1.5.14 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The Department did not request any exemptions or deviations from National Treasury.

### 1.5.15 OTHER

#### 1.5.15.1 INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were prepared in accordance with National Treasury prescripts and submitted within the required timeframes.

The amounts reported in the Financial Statements were reconciled with the financial systems prior to submission thereof to the National Treasury.

The Interim Financial Statements were approved by the Accounting Officer.

### 1.5.16 ACKNOWLEDGEMENT

The Department once more acknowledges the contributions of our staff and Executive Management in the attainment of the goals contained in this annual report despite the challenges we experienced in the labour market as well as in the global economy.

### 1.5.17 APPROVAL

The Annual Financial Statements for the 2015/16 financial year have been approved by the Accounting Officer.

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**T Lamati**  
**Director-General: Labour**  
29 July 2016





## 1.6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the Annual Report are consistent
- The Annual Report is complete, accurate and is free from any omissions
- The Annual Report has been prepared in accordance with the guidelines on annual reports as issued by the National Treasury
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

Yours faithfully

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**T Lamati**  
Director-General: Labour  
29 July 2016



## 1.7 STRATEGIC OVERVIEW

### 1.7.1. OUR VISION

The Department of Labour will strive for a labour market which is conducive to investment, economic growth, employment creation and decent work.

### 1.7.2. OUR MISSION

Regulate the South Africa labour market for a sustainable economy through:

- Appropriate legislation and regulations
- Inspection, compliance monitoring and enforcement
- Protection of human rights
- Provision of Employment Services
- Promoting equity
- Social and income protection
- Social dialogue.

### 1.7.3. OUR VALUES

- We treat employees with care, dignity and respect
- We respect and promote:
  - Client centred services
  - Accountability
  - Integrity and ethical behaviour
  - Learning and development
- We live the Batho Pele Principles
- We live the principles of the Department's Service Charter
- We inculcate these values through our performance management system

## 1.8 LEGISLATIVE AND OTHER MANDATES

### 1.8.1 CONSTITUTIONAL AND LEGISLATIVE MANDATES

The Department of Labour's legislative framework is informed by the South African Constitution, Chapter 2 and Bill of Rights:

Section 9, to ensure equal access to opportunities

Section 10, promotion of labour standards and fundamental rights at work

Section 18, freedom of association

Section 23, to ensure sound labour relations

Section 24, to ensure an environment that is not harmful to the health and wellbeing of those in the workplace

Section 27, to provide adequate social security nets to protect vulnerable workers

Section 28, to ensure that children are protected from exploitative labour practices and not required or permitted to perform work or services that are inappropriate for a person of that child's age or their well-being, education, physical or mental health or spiritual, moral or social development is placed at risk

Section 34, access to courts and access to fair and speedy labour justice.

**The Department administers the following legislation:**

LEGISLATION	PURPOSE
Labour Relations Act, 66 of 1995 (LRA)	The Labour Relations Act (LRA), Act 66 of 1995 aims to promote economic development, social justice, labour peace and democracy in the workplace
The Basic Conditions of Employment Act, 75 of 1997 (BCEA)	The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are: <ul style="list-style-type: none"> <li>To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by: <ul style="list-style-type: none"> <li>&gt; Establishing and enforcing basic conditions of employment</li> <li>&gt; Regulating the variation of basic conditions of employment</li> </ul> </li> <li>To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation</li> </ul>
The Employment Equity Act, 55 of 1998 (EEA)	The purpose of the Act is to achieve equity in the workplace, by: <ul style="list-style-type: none"> <li>Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination</li> <li>Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce</li> </ul>
The Unemployment Insurance Act, 30 of 1996 (UIA)	The Act empowers the UIF to register all employers and employees in South Africa for unemployment insurance benefits
The Occupational Health and Safety Act, 85 of 1993 (OHSA)	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety
The Compensation for Occupational Injuries and Diseases Act, 130 of 1993 (COIDA)	To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith
National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC)	To provide for the establishment of the National Economic, Development and Labour Council; to repeal certain provisions of the Labour Relations Act, 1995; and to provide for matters connected therewith
Employment Services Act, 4 of 2014 Skills Development Act, 97 of 1998	To provide for public employment services, their governance and functioning, including the registration of private employment agencies. To provide for the establishment and functioning of Productivity South Africa and the Sheltered Employment Factories



## 1.8.2 POLICY MANDATES

The mandate of the Department is: to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- Improved economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for competitiveness of enterprises which is balanced with the promotion of decent employment.

The Department is also responsible for the administration and effective functioning of the following labour market institutions:

- **Productivity South Africa (PSA).** Productivity SA aims to develop and enhance productive capacity in South Africa by continuously improving labour practices in South Africa. It works to build institutional capacity through sound project management skills, and through developing working relationships with other government agencies.
- **National Economic Development and Labour Council (NEDLAC).** A statutory social dialogue body, with its constituency comprising organised labour organisations, business organisations, government departments, and community groups. Social partners discuss and negotiate on public finance and monetary policy, labour market policy, trade and industrial policy, and development policy.
- **The Commission for Conciliation, Mediation and Arbitration (CCMA).** An independent body established by the Labour Relations Act, No. 66 of 1995. The CCMA promotes social justice and fairness in the workplace by providing high-quality, ethical, innovative and cost-effective dispute management as well as dispute resolution services.

## 1.9 ORGANISATIONAL STRUCTURE

### TOP LEADERSHIP

LEADERSHIP IS A KEY FACTOR IN BOTH OUR OWN ORGANISATIONAL PERFORMANCE AND IN THE SUCCESS OF THE COUNTRY WE SERVE, SOUTH AFRICA



- ▶ **MN OLIPHANT** MP, Minister of Labour
- ▶ **SP HOLOMISA** MP, Deputy Minister of Labour
- ▶ **T LAMATI** Director-General

“As we look ahead into the next century, **leaders** will be those who **empower others**”

Bill Gates



**A MOILOA**

Deputy Director-General:  
Inspection and Enforcement Services



**V SEAFIELD**

Deputy Director-General:  
Labour Policy and Industrial Relations



**PN TENGENI**

Deputy Director-General:  
Corporate Services



**S MOROTOBA**

Deputy Director-General:  
Public Employment Services



**SS MKHONTO**

Chief Operations Officer



**BE MADUNA**

Chief Financial Officer



**V MAFATA**

Commissioner:  
Compensation Fund



**TB SERUWE**

Commissioner:  
Unemployment Insurance Fund

## 1.10 ENTITIES REPORTING TO THE MINISTER

The following entities report to the Minister of Labour:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Unemployment Insurance Fund	The Unemployment Insurance Act 63 of 2001 (UIA). The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short-term unemployment insurance to all workers who qualify for unemployment related benefits. The Fund is financed by a dedicated tax on the wage bill	Public Entity	Collection of unemployment insurance contributions and payment of benefits to qualifying contributors
Compensation Fund (CF)	The Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA). The CF's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases	Public Entity	Collection of contributions and payment of medical, compensation and pension benefits
Productivity South Africa	Section 21 Company – Companies Act, 1973. Productivity SA is mandated by Government, Organised Labour and Organised Business to improve the productive capacity of the economy and thus contribute to South Africa's socio-economic development and competitiveness	Public Entity	The functions of Productivity South Africa are: <ul style="list-style-type: none"> <li>• Promote a culture of productivity in the workplace</li> <li>• Develop relevant productivity competencies</li> <li>• Facilitate and evaluate productivity improvement and competitiveness in workplaces</li> <li>• Measure and evaluate productivity in the workplace</li> <li>• Maintain a data-base of productivity and competitiveness systems and to publicise these systems</li> <li>• Undertake productivity-related research</li> <li>• Support initiatives aimed at preventing job losses</li> <li>• Perform any other prescribed function.</li> </ul>
Commission for Conciliation, Mediation and Arbitration	The Labour Relations Act (LRA), No 66 of 1995. Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration.	Public Entity	The CCMA's compulsory statutory functions are to: <ul style="list-style-type: none"> <li>• Conciliate workplace disputes</li> <li>• Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules</li> <li>• Facilitate the establishment of workplace forums and statutory councils</li> <li>• Compile and publish information and statistics about CCMA activities</li> <li>• Accredite and consider applications for subsidy by bargaining councils and private agencies</li> <li>• Provide support for the Essential Services Committee.</li> </ul>

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
National Economic Development and Labour Council (NEDLAC)	National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC). The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994, and operates in terms of its own constitution. The Act requires organised labour, organised business, community based organisations and Government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policies before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters	Public Entity	The NEDLAC Act requires the institution to: <ul style="list-style-type: none"> <li>• Strive to promote the goals of economic growth, participation in economic decision – making and social equity</li> <li>• Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy</li> <li>• Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament</li> <li>• Encourage and promote the formulation of coordinated policy on social and economic matters</li> <li>• Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament</li> <li>• Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act</li> </ul>
Supported Employment Enterprises	PFMA Act 1 of 1999 (as amended by Act 29 of 1999)	Business unit of the Department	The Supported Employment Enterprises were established in 1943 to provide employment for people with mental and physical disabilities that prevented them from entering the open labour market, due to the nature of their afflictions



# PART B

## PERFORMANCE INFORMATION

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## 2. PERFORMANCE INFORMATION

### 2.1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to Part E for the report of the Auditor General.

### 2.2 (A) OVERVIEW OF DEPARTMENTAL PERFORMANCE

In order to deliver on its mandate, the Department is supported by four programmes; Administration, Inspection and Enforcement Services, Public Employment Services and Labour Policy and Industrial Relations.

The Department planned fifty indicators to ensure that the Annual Performance Plan is achieved. All the reporting prescripts were complied with and at the end of the fourth quarter some of the challenges experienced during the financial year were addressed resulting in increased performance. The Administration programme contributed to the plan with eighteen indicators, Inspection and Enforcement Services had sixteen indicators, Public Employment Services had nine indicators and Labour Policy and industrial Relations planned seven indicators. The Department experienced progressive improvement in achieving its planned indicators from 47% in quarter one for the financial year 2015/2016 to 64% by the end of quarter four. Based on AG audited performance information, the average performance for the Department is 50% for the financial year 2015/16, an increase from 42% in 2014/15.

The introduction of stringent quality assurance measures within the programmes and provinces yielded improvements on audits for the Department's Performance Information. The Department will continue to maintain the highest level of integrity possible in providing Performance Information whilst improving its systems and performance.

### 2.2(B) SERVICE DELIVERY OUTCOMES AND DEPARTMENTAL STRATEGIC GOALS

The Department of Labour's 2015/16 Annual Report is based on the following outcomes (aligned to the APP and SP tabled in March 2015)

- **Outcome 4:** Decent employment through inclusive economic growth
- **Outcome 5:** A skilled and capable workforce to support an inclusive growth path
- **Outcome 11:** Create a better South Africa, a better Africa and a better World
- **Outcome 12:** An efficient, effective and development oriented public service
- **Outcome 14:** Transforming society and uniting the country

To address these outcomes, the Department has identified the following strategic goals:

<b>OUTCOME 4</b>	<b>DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH</b>
Strategic goals	1. Promote occupational health services 2. Contribute to decent employment creation 3. Protect vulnerable workers 5. Strengthen occupational safety protection 6. Promote sound labour relations 7. Monitor the impact of legislation 9. Development of the occupational health and safety policies
<b>OUTCOME 5</b>	<b>A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH</b>
Strategic Goal	2. Contribute to decent employment creation
<b>OUTCOME 11</b>	<b>CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD</b>
Strategic Goal	4. Strengthen multilateral and bilateral relations
<b>OUTCOME 12</b>	<b>AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE</b>
Strategic Goal	8. Strengthen the institutional capacity of the Department
<b>OUTCOME 14</b>	<b>TRANSFORMING SOCIETY AND UNITING THE COUNTRY</b>
Strategic Goal	10. Promote Equity in the labour market

## 2.3 PERFORMANCE INFORMATION BY PROGRAMME

### 2.3.1 DESCRIPTION OF PROGRAMME

PROGRAMME	PURPOSE
1. Administration	Provides strategic direction, leadership and administrative support services to the ministry and the Department.
2. Inspection and Enforcement Services	<p>Inspection and Enforcement Services are aimed at ensuring a fair and equitable labour market where all players adhere to the provisions of legislation that governs the labour market. The main functions of the inspectorate are:</p> <ol style="list-style-type: none"> <li>To conduct workplace inspections and audits of Accredited Inspection Authorities (AIAs) to monitor and enforce compliance with labour legislation</li> <li>To provide advice, educate and give technical information and support services to empower both workers, employers and stakeholders and to prevent labour disputes and workplace accidents</li> <li>To investigate workplace health and safety incidents once reported.</li> </ol>
3. Public Employment Services (PES)	<p>The main functions of Employment Services are to register work seekers, obtain vacancies and identify other opportunities so as to facilitate the entry and re-entry of work seekers into the labour market. Employment Services therefore has to be supported by two main pillars: The 'Employer Services' and 'Work Seeker Services'. The key services include:</p> <ol style="list-style-type: none"> <li>Registration of work seekers</li> <li>Placement of work seekers</li> <li>Employment Information and Guidance</li> <li>Special Labour market (employment) programmes</li> <li>Regulatory functions including registration and monitoring of private employment agencies</li> </ol> <p><b>Key interventions are through:</b></p> <ul style="list-style-type: none"> <li>Supported Employment Enterprise Factories which provide employment to people with disabilities</li> <li>Promotion of workplace productivity and competitiveness and social plan measures through Productivity SA</li> <li>Administration of income protection services</li> <li>Disbursement of unemployment and compensation for injuries and diseases benefits</li> </ul>
4. Labour Policy and Industrial Relations (LP and IR)	Labour Policy and Industrial Relations branch is responsible for formulating policy for eliminating inequality and discrimination, promoting labour standards and fundamental rights at work, including supervising Policy Research, Labour Market Information and Statistical Services. It also regulates labour and employer organisations and Bargaining Councils, deals with all the Department's responsibilities and obligations in relation to the International Labour Organisation and other International and regional bodies which the government of South Africa has formal relations with. It oversees the effective functioning of the CCMA and NEDLAC.

### 2.3.2 DEPARTMENTAL PERFORMANCE ON ENE PERFORMANCE INDICATORS

ENE PERFORMANCE INDICATORS	OVERALL ACHIEVEMENTS
Number of workplaces/employers inspected and reviewed per year to determine compliance with various labour legislation	186 871
Number of complaints resolved within 14 days at registration services per year	-
Number of work-seekers registered on the Employment Services of South Africa system per year	634 503
Number of work-seekers registered on the system provided with employment counselling per year	208 989
Number of work-seekers placed in registered employment opportunities per year	10 927
Number of pay scales assessed per year to reduce gaps in minimum wage determinations	4





### 2.3.3 DEPARTMENT PERFORMANCE PER STRATEGIC GOAL

STRATEGIC GOALS	ACTUAL OUTPUT - VALIDATED			
	Performance Indicators	Achieved	Not Achieved	Overall Achievement
Promote occupational health services	This strategic goal is covered in terms of indicators that are applicable in strengthen occupational safety protection.			
Contribute to decent employment creation	9	4	5	44%
Protect vulnerable workers	7	3	4	43%
Strengthen multilateral and bilateral relations	1	1	0	100%
Strengthen occupational safety protection	6	4	2	67%
Promote sound labour relations	2	0	2	0%
Monitor the impact of legislation	1	0	1	0%
Strengthen the institutional capacity of the Department	18	8	10	44%
Development of the Occupational Health and Safety policies	This strategic goal is covered in terms of indicators that are applicable in strengthen occupational safety protection.			
Promote Equity in the labour market	6	5	1	83%
<b>Total</b>	<b>50</b>	<b>25</b>	<b>25</b>	
<b>OVERALL PERFORMANCE</b>		<b>50%</b>	<b>50%</b>	

### 2.3.4 DEPARTMENT PERFORMANCE PER PROGRAMME

PROGRAMME	Performance Indicators	Achieved	Not Achieved	Overall Achievement
Administration	18	8	10	44%
Inspections and Enforcement Services	16	10	6	63%
Public Employment Services	9	4	5	44%
Labour Policy and Industrial Relations	7	3	4	43%
<b>OVERALL PERFORMANCE</b>	<b>50</b>	<b>25</b>	<b>25</b>	
<b>PERFORMANCE %</b>		<b>50%</b>	<b>50%</b>	

### 2.3.5 IMPLICATION OF TARGET ACHIEVED/NOT ACHIEVED

LEGEND	IMPLICATION
	<b>Achieved:</b> On course – no major action needed 100%+ Complete – Q1 –Q4 100%+ Complete – Annual Report
	<b>Not Achieved:</b> The target will not be achieved or was not achieved in the planned timeframes – major remedial action and urgent intervention is required 0% - 99% Complete – Q1 – Q4 0% - 99% Complete – Annual Report

## 2.4 ACTUAL ANNUAL PERFORMANCE AGAINST PLANNED TARGETS BASED ON THE APP TABLED IN MARCH 2015

The following Section presents actual performance per programme.

### 2.4.1 PROGRAMME 1: ADMINISTRATION

**Programme Purpose:** Provide strategic leadership, management and support services to the Department.

The programme consists of the following sub-programmes:

- **Ministry:** Provides political oversight to ensure that the Department's mandate is achieved
- **Management:** Provides administrative oversight for effective implementation of the Department's mandate and overall accounting oversight.

Office of the Chief Operations Officer manages and directs medium-term strategic planning processes, performance information reporting, monitoring and evaluation of performance against plans and the service delivery improvement plan.

- **Corporate Services:**
  - Human Resource Management ensures optimum and efficient utilisation and development of human capital and to provide an advisory service on matters pertaining to organisational effectiveness and development, transformation management, individual performance management, sound employee relations, employee health and wellness, as well as effective and efficient recruitment, selection and placement services including research and development of human resources policies and practices
  - Internal Audit provides management and the Audit Committee with independent, objective assurance with a view to improving effectiveness of governance, risk management and control processes
  - Risk Management pro-actively manages / addresses risks that have a negative impact on the Department's performance
  - Security Services renders security support aimed at protecting the Department's information, staff and assets
  - Communication disseminates and improves access to information about the Department.
  - Legal Services exists to provide legal support services to the Department
  - The Office of the Chief Information Officer caters for the Information and Communications Technology (ICT) needs and requirements of the Department
- **Office of the Chief Financial Officer:** Renders effective and efficient financial management and administrative support for the Department as well as office accommodation requirements.

<b>OUTCOME 12</b>	<b>AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE</b>
Strategic Goal	8. Strengthen the institutional capacity of the Department

## PROGRAMME 1: ADMINISTRATION

## STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)

KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
1. Provide integrated business and service delivery solutions	1.1 Strategic Plan and Annual Performance Plan approved and tabled as per prescribed timeframes	<b>Achieved</b>  Strategic Plan 2015/20 and APP 2015/16 were tabled in Parliament by 31 March 2015	Annual Performance Plan approved by end of January for tabling in Parliament by 31 March	<b>Achieved</b>  APP and SP were tabled on 7 March 2016	None	None
	1.2 Improve the Department's performance based on the Management Performance Assessment Tool (M-PAT) assessment criteria  Comply with 50% of the M-PAT standards per KPI at level 3 and 4	<b>Not Achieved</b>  30% instead of the targeted 50%, of total Department's M-PAT standards are at level 3 by 31 March 2015, and  9% of total Department's M-PAT standards are at level 4 by 31 March 2015	55% of total Department's M-PAT standards per KPI at level 3 and 4 by 31 March 2016	<b>Not Achieved</b>  37% of total Department MPAT standards per KPI are at level 3 and 4	<b>18%</b>	Better coordination and prioritization of M-PAT by the Department.  This is an Indicator for the Department Strategic Plan and APP.
	1.3 Number of monitoring reports on Service Delivery Improvement Plan (SDIP) produced within 30 days after quarter end/year end	<b>Not Achieved</b>  The SDIP was finalised in March 2015 but only approved on 16 April 2015	4 monitoring reports on SDIP produced within 30 days after quarter end/year end	<b>Not Achieved</b>  The SDIP QR 4 was approved on 16 May 2016	Submission beyond the due date	CF and PES inputs on SDIP were not submitted as per reporting timelines.
2. Implement Public Sector Risk Management Framework	2.1 Number of Risk Reports set to minimize risk exposure and improve Risk Maturity level	<b>Achieved</b>  4	4	<b>Achieved</b>  4 Risk Reports set to minimise risk exposure and improve risk maturity levels available	None	None

PROGRAMME 1: ADMINISTRATION						
STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
3. Fraud Prevention and Security Strategy implemented	3.1 Percentage of fraud cases received or detected finalised per year within 90 working days	<b>Not Achieved</b> 62% (39 of the 63) of fraud cases received or detected finalised by the year end	95%	<b>Not Achieved</b> 42% (of the 86 fraud cases received or detected) 36 cases were finalised within 90 working days by the year end.	2% (2 of the 86 cases were finalized outside 90 working days). 56% (48 of the 86 cases received were not finalised).	HQ investigation still in progress as there is reliance placed on our strategic partners (e.g.) State Organs  Due to the complex nature of some HQ cases. The finalisation rate was greatly hampered.  To recruit on the vacant and funded positions in 2016/17 financial year.  Organisational reconfiguration and matrix management  On the job training and transfer of skills where services of forensic firms are procured.  HQ investigator replaced in April.  SNG Service Provider assisting with backlog resolving.
4. Departmental Communication Strategy implemented	4.1 Departmental Communication Strategy approved and implemented by end of March 2019	<b>Achieved</b> Communication Strategy and 2014/15 Annual Action plan were approved.  85% of the implementation of the activities in the annual action plan was not achieved.	<ul style="list-style-type: none"> <li>Communication Strategy and annual action plan approved</li> <li>85% implementation of the activities in the annual action plan</li> </ul>	<b>Not Achieved</b> Communication strategy 2016-2021 reviewed with the PCOs and entities. Awaiting approval from EXCO	Several new inputs had to be obtained.	Consulted with GCIS, Entities, PCOs as well as Deputy Director-General: Corporate Services.

PROGRAMME 1: ADMINISTRATION						
STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
5. Integrated human resource strategy implemented	5.1 Percentage of	<b>Not Achieved</b> By 31 March 2015:		<b>Not Achieved</b> By 31 March 2016:		
	a) Women in SMS	a) 41.23% (47 of the 114 SMS filled posts) was women	a) 50%	a) 39.7% (48 of the 121 SMS filled posts) was women.	-10.3%	Due to lack of funds the department had to suspend the filling of vacancies that were unfunded.
	b) Youth and	b) 31.91% (2 494 of the 7815 filled posts) youth were appointed in the Department.	b) 33%	b) 32.5% (2 499 of the 7692 filled posts) youth were appointed in the Department.	-5.5%	Youth is a moving target and poses a challenge for the department to achieve on it.
	c) People with disability (PwD) employed in line with the EE Plan by 31 March each year	c) 2.65% (207 of the 7815 filled posts) People with Disabilities were appointed in the Department	c) 2.5%	c) 2.9% (221 of the 7692 filled posts) People with Disabilities were appointed in the Department	-0.1%	The 2.9% is above the government threshold of 2%.
	5.2 Percentage of vacancy rate reduced by 31 March	<b>Not Achieved</b> 10.67% (Of the total 8 748 funded posts, 933 were vacant).	8%	<b>Not Achieved</b> 12.4% (Of the total 8778 funded posts, 1086 were vacant).	-4.4%	Due to lack of funds the department had to suspend the filling of unfunded vacancies.
	5.3 Percentage of disciplinary cases resolved in 90 working-days	<b>Not Achieved</b> 86% of misconduct cases resolved in 90 days. This is calculated from a total of 546 cases that were received and 472 resolved throughout this financial period.  472/546 = 86%	100%	<b>Not Achieved</b> 76% of misconduct cases resolved in 90 days. This is calculated from 253 cases that were received and 191 resolved throughout the financial period.  191/253=76%	24%	The outstanding cases are complex and due to postponements not possible to finalise within the timeframe.
6. Effective Litigation support services	6.1 Percentage of court papers to resolve litigation filed with the Court within 10 working days of receipt	<b>Achieved</b> 98% (93 Litigation cases were received for the financial year 2014/2015. 92 out of the 93 cases were attended within the 10 days of receipt and only one was attended outside the 10 day period).	90%	<b>Achieved</b> 100% (118 Litigation cases were received for the financial year 2015/2016. All 118 cases were attended to within 10 days of receipt)	None	None

PROGRAMME 1: ADMINISTRATION						
STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
7. Effective Information Communication Technology services	7.1 Implement effective ICT Governance framework	<p><b>Achieved</b></p> <p>The annual ICT action plan was approved.</p> <p>60% implementation of the ICT activities in the annual action plan was achieved.</p>	Review and implement an ICT governance and ICT Policy frameworks	<p><b>Not Achieved</b></p> <p>The SITA outsourced ICT strategic plan was finalised and ready very late in the financial year (22-03-2016) thus making it impossible to implement IT governance as proposed in the Strategy.</p>	The SITA outsourced ICT strategic plan was finalized and ready very late in the financial year (22/03/2016) thus making it impossible to implement IT governance as proposed in the strategy.	The ICT strategy is now in place. IT governance shall be implemented in alignment with the proposals of the strategy.
	7.2 Annually review and implement the ICT strategy of the Department		Implementation of the agreed strategic objective as specified in the Annual Action Plan	<p><b>Not Achieved</b></p> <p>The SITA outsourced ICT strategic Plan was finalised and ready very late in the financial year (22-03-2016) thus making it impossible to identify and implement the ICT strategic objectives and the related workplan.)</p>	The SITA outsourced ICT strategic plan was finalized and ready very late in the financial year (22/03/2016) thus making it not possible to identify and implement the ICT strategic objectives and related work plan.	The implementation of the 2016/17 work plan.

## PROGRAMME 1: ADMINISTRATION

## STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)

KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
8. Effective financial management and governance	8.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	<b>Achieved</b> 2013/14 Annual report was developed and submitted to the National Treasury by 31 May 2014.  3 Interim Financial Reports were compiled and submitted to the National Treasury on due dates as determined by the National Treasury	1 AFS by 31 May,  and  3 Interim reports 30 days after each quarter.	<b>Achieved</b> 2014/15 Annual Financial Statements was compiled and submitted to the National Treasury by 31 May 2015.  3 Interim Financial Reports were compiled and submitted to the National Treasury on due dates as determined by the National Treasury	None	None
	8.2 Medium Term Expenditure Framework (MTEF) and Estimates of National Expenditure (ENE) prepared according to National Treasury (NT) prescripts	<b>Achieved</b> Final 2015 Estimates of National Expenditure submitted to NT by 11 January 2015	Departmental budget compiled and published	<b>Achieved</b> Rollover submission, MTEF, AENE, draft ENE for 2016/17 and final ENE for 2015/16 submitted to National Treasury according to due dates as determined by the National Treasury.	None	None
9. Effective supply chain management	9.1 Percentage of compliant invoices paid within 30 days of receipt	<b>Not Achieved</b> 91.23% (16 434 of the 16 545) invoices were paid within 30 days of receipt	100%	<b>Not Achieved</b> 99.54% (16 939 of the 17 018) of invoices were paid within 30 days of receipt	Only 0.46% not paid within 30 days of receipt	System errors occurred when the payments were processed
	9.2 Percentage detection and reporting of irregular, fruitless and wasteful and unauthorized expenditure (TR9.1.2)	<b>Not Achieved</b> An increase of 17% in irregular expenditure was realised from 2013/14 to 2014/15 (The total cases for 2013/14 were 46 with the total irregular expenditure amount of R685 344.01. The total case for 2014/15 was 37 with the total irregular expenditure amount of R798 696.50	100%	<b>Achieved</b> A total of thirteen (13) -100% cases amounting to R29 477 147.66 for irregular expenditure were detected and reported for the 2015/16 financial year. A total of (sixteen (16) - 100% cases amounting to R82 074.92) for fruitless and wasteful expenditure were detected and reported for the 2015/16.	None	None

PROGRAMME 1: ADMINISTRATION						
STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12)						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
10. Provision of Departmental Fleet Services that are suitable to Departmental needs	10.1 Procurement of fleet vehicles in line with departmental benchmark	New Output	100%	<b>Achieved</b>  172 Vehicles procured as approved by the Departmental Transport Advisory Committee.	None	None
	10.2 Vehicles maintained in accordance with the manufacturers specifications	New Output	100%	<b>Achieved</b>  Of the 1046 vehicles in the Departmental fleet, 259 vehicles were due for service in the reporting period and all 259 vehicles were serviced according to the manufacturers specifications which equates to 100%.	None	None

#### 2.4.2 PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICES

**Programme purpose:** To realise decent work by regulating non-employment and employment conditions through inspection and enforcement in order to achieve compliance with all labour market policies.

The programme consists of the following sub-programmes:

- **Management and Support Services:** Inspection and Enforcement Services manages the delegated administrative and financial responsibilities of the office of the Deputy Director-General: Inspection and Enforcement Services and provides corporate support to line function sub-programmes within the Programme.
- **Occupational Health and Safety:** Promotes health and safety in the workplace by regulating dangerous activities and the use of plant and machinery.
- **Registration:** Inspection and Enforcement Services register incidents relating to labour relations and occupational health and safety matters, as reported by members of the public, and communicates these to the relevant structures within the Compliance, Monitoring and Enforcement sub-programme for investigation.
- **Compliance, Monitoring and Enforcement:** Ensures that employers and employees comply with labour legislation through regular inspections and following-up on reported incidents.
- **Training of staff:** Inspection and Enforcement Services defrays all expenditure relating to staff training within this Programme in order to easily identify this expenditure for reporting purposes.
- **Statutory and Advocacy:** Gives effect to the legislative enforcement requirement and educate stakeholders on labour legislation.

<b>Outcome 4</b>	<b>Improve the quality of labour market services to contribute to decent employment through inclusive economic growth</b>
<b>Strategic Goals</b>	<ul style="list-style-type: none"> <li>10. Promote equity in the labour market</li> <li>3. Protect vulnerable workers</li> <li>5. Strengthen occupational safety protection</li> </ul>



PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES																																																		
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS																																												
<b>STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14)</b>																																																		
1. Promotion of Employment Equity in the labour market	1.1 Number of designated employers reviewed per year to determine compliance with employment equity legislation	<b>Achieved</b> 551 employers were reviewed against the expected 523	750	<b>Achieved</b> 831 employers were reviewed against the expected 750	81	More requests were received for DG Review from employers and has resulted in the Branch surpassing the target																																												
				<table border="1"> <thead> <tr> <th>Prov.</th> <th>Target</th> <th>Actual reviewed</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>118</td> <td>170</td> <td>52</td> </tr> <tr> <td>FS</td> <td>24</td> <td>38</td> <td>14</td> </tr> <tr> <td>GP</td> <td>192</td> <td>197</td> <td>5</td> </tr> <tr> <td>KZN</td> <td>48</td> <td>54</td> <td>6</td> </tr> <tr> <td>LP</td> <td>30</td> <td>9</td> <td>-21</td> </tr> <tr> <td>MP</td> <td>60</td> <td>80</td> <td>20</td> </tr> <tr> <td>NC</td> <td>36</td> <td>40</td> <td>4</td> </tr> <tr> <td>NW</td> <td>36</td> <td>38</td> <td>2</td> </tr> <tr> <td>WC</td> <td>206</td> <td>205</td> <td>-1</td> </tr> <tr> <td><b>Total</b></td> <td><b>750</b></td> <td><b>831</b></td> <td><b>81</b></td> </tr> </tbody> </table>	Prov.	Target	Actual reviewed	Variance	EC	118	170	52	FS	24	38	14	GP	192	197	5	KZN	48	54	6	LP	30	9	-21	MP	60	80	20	NC	36	40	4	NW	36	38	2	WC	206	205	-1	<b>Total</b>	<b>750</b>	<b>831</b>	<b>81</b>		
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<b>Total</b>	<b>750</b>	<b>831</b>	<b>81</b>																																															
	1.2 Percentage of non-compliant employers of those reviewed in reference to recommendation issued within 90 days of the review	<b>Achieved</b> A total number of 176 (78 Public and 98 Private) recommendations served and 13 (8 Public and 5 Private) referred to court. These were companies supposed to be dealt with; implying that 100% was dealt with	100%	<b>Not Achieved</b> 86% of non-compliant employers of those reviewed in reference to 1.1 issued with a recommendation within 90 days of the review	14%	Employers were not available to be served with recommendations within the specified timeframe																																												
				<table border="1"> <thead> <tr> <th>Prov.</th> <th>Number of non-compliant employers</th> <th>Number of recommendations served within 90 days</th> <th>% dealt with (as per served recommendations)</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>155</td> <td>155</td> <td>100%</td> </tr> <tr> <td>FS</td> <td>38</td> <td>4</td> <td>11%</td> </tr> <tr> <td>GP</td> <td>75</td> <td>82</td> <td>109%</td> </tr> <tr> <td>KZN</td> <td>54</td> <td>54</td> <td>100%</td> </tr> <tr> <td>LP</td> <td>7</td> <td>7</td> <td>100%</td> </tr> <tr> <td>MP</td> <td>80</td> <td>80</td> <td>100%</td> </tr> <tr> <td>NC</td> <td>35</td> <td>14</td> <td>40%</td> </tr> <tr> <td>NW</td> <td>37</td> <td>36</td> <td>97%</td> </tr> <tr> <td>WC</td> <td>187</td> <td>142</td> <td>76%</td> </tr> <tr> <td><b>Total</b></td> <td><b>668</b></td> <td><b>574</b></td> <td><b>86%</b></td> </tr> </tbody> </table>	Prov.	Number of non-compliant employers	Number of recommendations served within 90 days	% dealt with (as per served recommendations)	EC	155	155	100%	FS	38	4	11%	GP	75	82	109%	KZN	54	54	100%	LP	7	7	100%	MP	80	80	100%	NC	35	14	40%	NW	37	36	97%	WC	187	142	76%	<b>Total</b>	<b>668</b>	<b>574</b>	<b>86%</b>		
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PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES																																																		
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1.3	Number of designated employers inspected per year to determine compliance with employment equity legislation	<b>Not Achieved</b> 1 364 designated employers were inspected.	4 176	<b>Achieved</b> 5 022 designated employers were inspected <table border="1"> <thead> <tr> <th>Prov.</th> <th>Target</th> <th>Actual Inspected</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>382</td> <td>479</td> <td>97</td> </tr> <tr> <td>FS</td> <td>168</td> <td>247</td> <td>79</td> </tr> <tr> <td>GP</td> <td>1 946</td> <td>2 335</td> <td>389</td> </tr> <tr> <td>KZN</td> <td>648</td> <td>782</td> <td>134</td> </tr> <tr> <td>LP</td> <td>120</td> <td>144</td> <td>24</td> </tr> <tr> <td>MP</td> <td>96</td> <td>152</td> <td>56</td> </tr> <tr> <td>NC</td> <td>72</td> <td>85</td> <td>13</td> </tr> <tr> <td>NW</td> <td>132</td> <td>157</td> <td>25</td> </tr> <tr> <td>WC</td> <td>612</td> <td>641</td> <td>29</td> </tr> <tr> <td><b>Total</b></td> <td><b>4 176</b></td> <td><b>5 022</b></td> <td><b>846</b></td> </tr> </tbody> </table>	Prov.	Target	Actual Inspected	Variance	EC	382	479	97	FS	168	247	79	GP	1 946	2 335	389	KZN	648	782	134	LP	120	144	24	MP	96	152	56	NC	72	85	13	NW	132	157	25	WC	612	641	29	<b>Total</b>	<b>4 176</b>	<b>5 022</b>	<b>846</b>	846	Training conducted by the branch assisted to fast track the process of procedural inspections and this resulted in the branch surpassing the target. There was better understanding by inspectors on how to conduct procedural inspections
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1.4	Percentage of non-complying workplaces inspected per year with reference to 1.3. dealt with in terms of the Employment Equity Act	<b>Not Achieved</b> 93% (515 of the 521) non-compliant workplaces were dealt with	100%	<b>Achieved</b> 100% (1 040 of the 1 036) non-compliant workplaces were dealt with <table border="1"> <thead> <tr> <th>Prov.</th> <th>Number of non-compliant workplaces</th> <th>Number of workplaces dealt with</th> <th>% dealt with</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>260</td> <td>260</td> <td>100%</td> </tr> <tr> <td>FS</td> <td>67</td> <td>67</td> <td>100%</td> </tr> <tr> <td>GP</td> <td>1</td> <td>1</td> <td>100%</td> </tr> <tr> <td>KZN</td> <td>232</td> <td>232</td> <td>100%</td> </tr> <tr> <td>LP</td> <td>116</td> <td>116</td> <td>100%</td> </tr> <tr> <td>MP</td> <td>39</td> <td>39</td> <td>100%</td> </tr> <tr> <td>NC</td> <td>66</td> <td>66</td> <td>100%</td> </tr> <tr> <td>NW</td> <td>34</td> <td>34</td> <td>100%</td> </tr> <tr> <td>WC</td> <td>221</td> <td>225</td> <td>102%</td> </tr> <tr> <td><b>Total</b></td> <td><b>1 036</b></td> <td><b>1 040</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Prov.	Number of non-compliant workplaces	Number of workplaces dealt with	% dealt with	EC	260	260	100%	FS	67	67	100%	GP	1	1	100%	KZN	232	232	100%	LP	116	116	100%	MP	39	39	100%	NC	66	66	100%	NW	34	34	100%	WC	221	225	102%	<b>Total</b>	<b>1 036</b>	<b>1 040</b>	<b>100%</b>	None	None
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	1.5 Percentage of employment equity plans of those companies inspected/ reviewed in 1.1 and 1.3 above assessed annually	New Output	80%	<p><b>Achieved</b></p> <p>92% of equity plans were assessed against a target of 80%</p> <table border="1"> <thead> <tr> <th>Prov.</th> <th>Number of employers reviewed in 1.1</th> <th>Number of equity plans assessed</th> <th>% assessed</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>170</td> <td>170</td> <td>100%</td> </tr> <tr> <td>FS</td> <td>38</td> <td>29</td> <td>76%</td> </tr> <tr> <td>GP</td> <td>197</td> <td>195</td> <td>99%</td> </tr> <tr> <td>KZN</td> <td>54</td> <td>54</td> <td>100%</td> </tr> <tr> <td>LP</td> <td>9</td> <td>9</td> <td>100%</td> </tr> <tr> <td>MP</td> <td>80</td> <td>37</td> <td>46%</td> </tr> <tr> <td>NC</td> <td>40</td> <td>36</td> <td>90%</td> </tr> <tr> <td>NW</td> <td>38</td> <td>31</td> <td>82%</td> </tr> <tr> <td>WC</td> <td>205</td> <td>205</td> <td>100%</td> </tr> <tr> <td><b>Total</b></td> <td><b>831</b></td> <td><b>766</b></td> <td><b>92%</b></td> </tr> </tbody> </table>	Prov.	Number of employers reviewed in 1.1	Number of equity plans assessed	% assessed	EC	170	170	100%	FS	38	29	76%	GP	197	195	99%	KZN	54	54	100%	LP	9	9	100%	MP	80	37	46%	NC	40	36	90%	NW	38	31	82%	WC	205	205	100%	<b>Total</b>	<b>831</b>	<b>766</b>	<b>92%</b>	12%	Training conducted by the Branch assisted to fast track the process of assessing the plans and this resulted in the branch surpassing the target. There was better understanding by inspectors on how to assess plans
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<b>STRATEGIC GOAL 3: PROTECT VULNERABLE WORKERS OUTCOME 4)</b>																																																																							
2. Workers protected through inspection and enforcement of labour legislation	2.1 Number of workplaces inspected per year to determine compliance with labour legislation	<b>Not Achieved</b> A total of 149 847 workplaces were inspected	135 356	<b>Achieved</b> A total of 146 307 workplaces were inspected against an annual target of 135 356	10 951 Blitz programmes and training conducted assisted the Branch in surpassing the target																																																																		
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2.2 Percentage of non-complying workplaces inspected per year with reference to 2.1 dealt with in terms of the relevant labour legislation	2.2 Percentage of non-complying workplaces dealt with. A total of 29 015 notices were issued and 217 cases were referred to court.	<b>Not Achieved</b> 91% of non-complying workplaces were dealt with. A total of 27 291 notices were issued and 394 cases were referred to court	100%	<b>Not Achieved</b> 97% of non-complying workplaces were dealt with. A total of 29 015 notices were issued and 217 cases were referred to court.	-3 Non-availability of employer to be served with notices resulting in a need to conduct follow-up inspections																																																																		
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	2.3 Number of advocacy and educational sessions conducted per year in identified sectors	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>6 sessions conducted</li> <li>1 advocacy for contract cleaning</li> <li>HBA Seminar</li> <li>Shop stewards training (100 trained)</li> <li>2 Training sessions for the taxi Sector (262 people trained)</li> <li>1 Ministerial Imbizo for Agriculture and Forestry conducted in the Western Cape</li> </ul>	<ul style="list-style-type: none"> <li>4 Seminars</li> <li>Private security sector</li> <li>Construction sector</li> <li>Forestry sector</li> <li>Hazardous biological agents</li> </ul> <p>1 Training programme (600 shop stewards trained)</p>	<p><b>Not Achieved</b></p> <p>Four seminars were conducted with the following sectors:</p> <ul style="list-style-type: none"> <li>Construction</li> <li>Hazardous Biological Agents.</li> <li>Forestry</li> <li>Private Security</li> </ul> <p>Number of shop stewards trained in following sectors:</p> <ul style="list-style-type: none"> <li>Construction = 112 Shop stewards trained.</li> <li>Hazardous Biological agents = 60 Shop stewards trained.</li> <li>Forestry = 52 Shop stewards trained.</li> <li>Private security = 56 Shop stewards trained</li> </ul>	<p>Construction - 112 shop stewards attended instead of the 150 target, therefore there was a deviation of 38 shop stewards</p> <p>Hazardous Biological agents - 60 shop stewards attended instead of 150, therefore there a deviation of 90 shop stewards</p> <p>Forestry - 52 shop stewards attended instead of 150, therefore there was a deviation of 98 shop stewards</p> <p>Private security - 56 shop stewards attended instead of 150, therefore there was a deviation of 94 shop stewards</p>	<p>Shop stewards were invited and confirmed their attendance for the training however they did not attend</p>

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2.4	Percentage of inspections on request for work permits conducted within 5 working days	<b>Not Achieved</b> 75% (730 of 968) requested investigations were conducted within 5 days	90%	<b>Not Achieved</b> 63% (626 of 994) requested investigations were conducted within 5 days. <table border="1"> <thead> <tr> <th>Prov.</th> <th>Number of request received</th> <th>Number inspected within 5 days</th> <th>% inspected within 5 days</th> <th>Variance (%)</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>96</td> <td>96</td> <td>100%</td> <td>10%</td> </tr> <tr> <td>FS</td> <td>13</td> <td>11</td> <td>85%</td> <td>-5%</td> </tr> <tr> <td>GP</td> <td>528</td> <td>189</td> <td>36%</td> <td>-54%</td> </tr> <tr> <td>KZN</td> <td>108</td> <td>96</td> <td>89%</td> <td>-1%</td> </tr> <tr> <td>LP</td> <td>84</td> <td>84</td> <td>100%</td> <td>10%</td> </tr> <tr> <td>MP</td> <td>69</td> <td>57</td> <td>83%</td> <td>-7%</td> </tr> <tr> <td>NC</td> <td>9</td> <td>7</td> <td>78%</td> <td>-12%</td> </tr> <tr> <td>NW</td> <td>3</td> <td>3</td> <td>100%</td> <td>10%</td> </tr> <tr> <td>WC</td> <td>84</td> <td>83</td> <td>99%</td> <td>9%</td> </tr> <tr> <td><b>Total</b></td> <td><b>994</b></td> <td><b>626</b></td> <td><b>63%</b></td> <td><b>-27%</b></td> </tr> </tbody> </table>	Prov.	Number of request received	Number inspected within 5 days	% inspected within 5 days	Variance (%)	EC	96	96	100%	10%	FS	13	11	85%	-5%	GP	528	189	36%	-54%	KZN	108	96	89%	-1%	LP	84	84	100%	10%	MP	69	57	83%	-7%	NC	9	7	78%	-12%	NW	3	3	100%	10%	WC	84	83	99%	9%	<b>Total</b>	<b>994</b>	<b>626</b>	<b>63%</b>	<b>-27%</b>	-27%	Non-availability of employers for scheduled appointments within the 5 day period
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2.5	One report developed on proposals to improve the capacity of the Inspectorate	New Output	1 Report	<b>Achieved</b> A draft report on proposal to improve the capacity of the inspectorate has been crafted by external service provider (Ernest and Young)	None	None																																																							

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<b>STRATEGIC GOAL 5: STRENGTHENING OCCUPATIONAL SAFETY PROTECTION AND STRATEGIC GOAL 9: DEVELOPMENT OF THE OCCUPATIONAL HEALTH AND SAFETY POLICIES (OUTCOME 4)</b>																																																																							
3. Strengthen occupational safety protection	3.1 Number of workplaces inspected per year to determine their compliance with the OHS legislation	<b>Achieved</b> A total of 23 678 workplaces were inspected	20 476	<b>Achieved</b> A total of 22 423 workplaces were inspected	-1 947	Blitz inspections conducted and more requests for OHS inspections resulted in the branch over achieving the target																																																																	
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3.2	Percentage of non-complying workplaces inspected per year with reference to 3.1 dealt with in terms of the OHS legislation	<b>Achieved</b> 106% was dealt with. A total of 6 570 notices were issued and 112 cases were referred to court	100%	<b>Not Achieved</b> 99.7% was dealt with. A total of 9 490 notices were issued and 34 cases were referred to court. <table border="1"> <thead> <tr> <th>Prov.</th> <th>No. not complying workplaces dealt with</th> <th>No. of workplaces dealt with</th> <th>% of workplaces dealt with</th> <th>Number of Notices issued</th> <th>Number of cases referred to court</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>610</td> <td>610</td> <td>100%</td> <td>671</td> <td>20</td> </tr> <tr> <td>FS</td> <td>712</td> <td>712</td> <td>100%</td> <td>802</td> <td>4</td> </tr> <tr> <td>GP</td> <td>2 122</td> <td>2 146</td> <td>101%</td> <td>2 279</td> <td>0</td> </tr> <tr> <td>KZN</td> <td>1 845</td> <td>1 845</td> <td>100%</td> <td>2 000</td> <td>0</td> </tr> <tr> <td>LP</td> <td>936</td> <td>936</td> <td>100%</td> <td>1 095</td> <td>0</td> </tr> <tr> <td>MP</td> <td>352</td> <td>352</td> <td>100%</td> <td>445</td> <td>0</td> </tr> <tr> <td>NC</td> <td>219</td> <td>171</td> <td>78%</td> <td>185</td> <td>6</td> </tr> <tr> <td>NW</td> <td>484</td> <td>484</td> <td>100%</td> <td>919</td> <td>0</td> </tr> <tr> <td>WC</td> <td>888</td> <td>888</td> <td>100%</td> <td>1 094</td> <td>4</td> </tr> <tr> <td><b>Total</b></td> <td><b>8 168</b></td> <td><b>8 144</b></td> <td><b>99.7%</b></td> <td><b>9 490</b></td> <td><b>34</b></td> </tr> </tbody> </table>	Prov.	No. not complying workplaces dealt with	No. of workplaces dealt with	% of workplaces dealt with	Number of Notices issued	Number of cases referred to court	EC	610	610	100%	671	20	FS	712	712	100%	802	4	GP	2 122	2 146	101%	2 279	0	KZN	1 845	1 845	100%	2 000	0	LP	936	936	100%	1 095	0	MP	352	352	100%	445	0	NC	219	171	78%	185	6	NW	484	484	100%	919	0	WC	888	888	100%	1 094	4	<b>Total</b>	<b>8 168</b>	<b>8 144</b>	<b>99.7%</b>	<b>9 490</b>	<b>34</b>	-0.3%	The concept of "dealt with" was misunderstood by Northern Cape and affected their performance. This will be addressed in the 2016/17 financial year.
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3.3	Percentage of reported incidents investigated within 90 days	<b>Not Achieved</b> 45% (of the 1 305 reported) 589 incidents were investigated within 90 days	60%	<b>Achieved</b> 82% (of the 1 309 reported) 1 080 incidents were investigated within 90 days. <table border="1"> <thead> <tr> <th>Prov.</th> <th>Number of reported incidents</th> <th>Number investigated within 90 days</th> <th>% investigated within 90 days</th> <th>Variance (%)</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>136</td> <td>133</td> <td>98%</td> <td>38%</td> </tr> <tr> <td>FS</td> <td>62</td> <td>34</td> <td>55%</td> <td>-5%</td> </tr> <tr> <td>GP</td> <td>380</td> <td>390</td> <td>103%</td> <td>43%</td> </tr> <tr> <td>KZN</td> <td>179</td> <td>113</td> <td>63%</td> <td>3%</td> </tr> <tr> <td>LP</td> <td>56</td> <td>34</td> <td>61%</td> <td>1%</td> </tr> <tr> <td>MP</td> <td>83</td> <td>40</td> <td>48%</td> <td>-12%</td> </tr> <tr> <td>NC</td> <td>48</td> <td>33</td> <td>69%</td> <td>9%</td> </tr> <tr> <td>NW</td> <td>110</td> <td>48</td> <td>44%</td> <td>-16%</td> </tr> <tr> <td>WC</td> <td>255</td> <td>255</td> <td>100%</td> <td>40%</td> </tr> <tr> <td><b>Total</b></td> <td><b>1 309</b></td> <td><b>1 080</b></td> <td><b>82%</b></td> <td><b>22%</b></td> </tr> </tbody> </table>	Prov.	Number of reported incidents	Number investigated within 90 days	% investigated within 90 days	Variance (%)	EC	136	133	98%	38%	FS	62	34	55%	-5%	GP	380	390	103%	43%	KZN	179	113	63%	3%	LP	56	34	61%	1%	MP	83	40	48%	-12%	NC	48	33	69%	9%	NW	110	48	44%	-16%	WC	255	255	100%	40%	<b>Total</b>	<b>1 309</b>	<b>1 080</b>	<b>82%</b>	<b>22%</b>	22%	The Branch prioritised incidents in order to ensure investigation within 90 days											
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	3.4 Percentage of applications for registration of entities processed within 4 weeks	<b>Achieved</b> 100% (4 474 applications were received and 4 474 were processed within 4 weeks).	100%	<b>Not Achieved</b> <table border="1"> <thead> <tr> <th>HQ.</th> <th>Number of applications received</th> <th>Number processed within 4 weeks</th> <th>% processed within 4 weeks</th> </tr> </thead> <tbody> <tr> <td></td> <td>4 828</td> <td>3 453</td> <td>72%</td> </tr> </tbody> </table>		HQ.	Number of applications received	Number processed within 4 weeks	% processed within 4 weeks		4 828	3 453	72%	28%	Outstanding of required documentation by employers which lead to delay on processing of applications
HQ.	Number of applications received	Number processed within 4 weeks	% processed within 4 weeks												
	4 828	3 453	72%												
	3.5 Processing of the amendments to the Occupational Health and Safety Act and regulations through the relevant structures	<b>Not Achieved</b> <ul style="list-style-type: none"> <li>The Bill submitted to NEDLAC</li> <li>Draft Major Hazardous Installation</li> <li>(MHI) Regulations were developed</li> </ul>	OHS Amendment Bill submitted to NEDLAC Two regulations amended	<b>Achieved</b> The OHS Bill was finalised at NEDLAC. No further sessions were scheduled for discussion of the Bill in the new financial year.  The NEDLAC process is considered finalised and NEDLAC was required to produce a final report. Bill to be submitted to the Cluster in Q1 of 2016/17  Three Regulations amended – Explosives Regulation; Ergonomics Regulation and the Major Hazard Installation Regulation  Explosives Regulations amended is to be published for public comment. Only one regulation was given permission by ACOHS to be published  The Business constituent of ACOHS did not give permission for the Ergonomics Regulation and the Major Hazard Installation Regulation to be published as one member was not satisfied despite the extra effort by the Department of Labour and the additional session arranged		None	None								

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3.6	Number of employer payroll audits conducted per year to determine employers contribution to the Unemployment Insurance Fund	<b>Not Achieved</b> 5 378 employer payroll audits were conducted	11 576	<b>Achieved</b> 12 288 employer payroll audits were conducted	712	Addition of cars to some provinces resulted in the branch surpassing the target																																												
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### 2.4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

**Programme Purpose:** The primary function of the branch is to register unemployed and under-employed work-seekers, to equip them with employment counselling to access employment, to seek and register opportunities for the absorption of work seekers, to match them with opportunities and to refer them to employers and other institutions for potential placement and to access unemployment benefits. The program derives its mandate from the Skills Development Act, 1998, Sections 23-26, the Presidential Proclamation and the Employment Services Act, No. 4 of 2014.

Employment Services functions are delivered through the 127 labour centres, Thusong multi-purpose centres, satellite offices, visiting points, mobile trucks and buses. PES uses Employment Services South African (ESSA) electronic system on which the work-seekers can register their skills and experience and employers, entities or institutions can also register work and learning opportunities.

The programme consists of the following sub-programmes:

- **Management and Support Services:** Manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function sub-programmes
- **Employer Services:** Register vacancies, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies
- **Work-Seeker Services:** Register work-seekers, retrenched workers, work vacancies, training and income generating opportunities on the employment services system, and facilitates access to employment and income generating opportunities for the unemployed and under-employed
- **Designated Groups Special Services:** Facilitates the transfer of subsidies to national councils to promote the employment of people with disabilities, youth, and women.

The programme has oversight over the following entities:

- **Supported Employment Enterprises (SEE):** Transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities, and aims to improve the administration, production, and financial control of supported employment enterprises and workshops for the blind work centres.
- **Productivity South Africa:** Promotes improvements in workplace productivity, competitiveness and social plan (job saving mechanisms through future forums and turnaround solutions). The Branch PES facilitates the conclusion of the Memorandum of Agreement, transfer of funding and monitoring of the entity's performance against its Strategic Plan.
- **Unemployment Insurance Fund:** Provides income support to unemployed contributors whilst awaiting integration into employment
- **Compensation Fund:** Provides for compensation to work place injuries and diseases. PES makes provision for the compensation of public servants in terms of the COIDA.

Outcome 4	Improve the quality of labour market services to contribute to decent employment through inclusive economic growth
Outcome 5	A skilled and capable workforce to support an inclusive growth path
Strategic Goal	2. Contribute to decent employment creation

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES																				
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1. Employment Services provided in accordance with Employment Services Act and prescribed Regulations	1.1 Number of final regulations in terms of the Employment Services Act published by the Minister in Government Gazette	<p><b>Not Achieved</b></p> <p>Draft employment Service Regulations was developed but not published for public comments</p> <p>The Branch successfully consulted with the State Law Advisors and the Presidency regarding the promulgation of the ES Act</p> <p>The ES Act was promulgated on 9 August 2015</p>	<p>3 regulations relating to:</p> <ol style="list-style-type: none"> <li>Private Employment Agencies, Temporary Employment Services section 13 and 52</li> <li>Registration of work-seekers section 52</li> <li>The procedure for employment of foreign nationals, section 52 published by the Minister in Government Gazette by March 2016</li> </ol>	<p><b>Not Achieved</b></p> <p>Draft Regulations on Private Employment Agencies/Temporary Employment Services; Registration of work-seekers; and Employment of Foreign Nationals were forwarded to the DDG: PES and approved on 12/06/2015.</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Target</th> <th>Actual Performance</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>3 Draft regulations approved by the Deputy Director-General: Public Employment Services by end of June 2015</td> <td>Regulations on Private Employment Agencies/Temporary Employment Services; Registration of work-seekers; and Employment of Foreign Nationals were forwarded to the DDG: PES and approved on 12/06/2015</td> </tr> <tr> <td>Q2</td> <td>3 Draft regulations concluded by ES Board by end of September 2015</td> <td>Draft Regulations not tabled before the ES Board</td> </tr> <tr> <td>Q3</td> <td>3 ES Board approved regulations submitted to State Law advisor by end of December 2015</td> <td>Regulations not submitted to State Law advisors</td> </tr> <tr> <td>Q4</td> <td>3 Final regulations certified by the State Law advisors, approved by the Minister and published in the Government Gazette by March 2016.</td> <td>3 Final regulations not yet published in the Government Gazette</td> </tr> </tbody> </table>	Quarter	Target	Actual Performance	Q1	3 Draft regulations approved by the Deputy Director-General: Public Employment Services by end of June 2015	Regulations on Private Employment Agencies/Temporary Employment Services; Registration of work-seekers; and Employment of Foreign Nationals were forwarded to the DDG: PES and approved on 12/06/2015	Q2	3 Draft regulations concluded by ES Board by end of September 2015	Draft Regulations not tabled before the ES Board	Q3	3 ES Board approved regulations submitted to State Law advisor by end of December 2015	Regulations not submitted to State Law advisors	Q4	3 Final regulations certified by the State Law advisors, approved by the Minister and published in the Government Gazette by March 2016.	3 Final regulations not yet published in the Government Gazette	<p>3 Final regulations not yet published in the Government Gazette</p>
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	1.2 Number of PES provincial and local advocacy campaigns conducted per year	<b>Achieved</b> 18 Provincial and 518 local campaigns were conducted	18 provincial and 378 local advocacy campaigns conducted by March 2016	<p><b>Achieved</b> 24 Provincial advocacy campaigns conducted and 648 local campaigns conducted.</p> <table border="1"> <thead> <tr> <th colspan="4">Provincial</th> </tr> <tr> <th>Prov.</th> <th>Target</th> <th>Actual Advocacy campaigns</th> <th>Variance</th> </tr> </thead> <tbody> <tr><td>EC</td><td>2</td><td>4</td><td>2</td></tr> <tr><td>FS</td><td>2</td><td>2</td><td>0</td></tr> <tr><td>GP</td><td>2</td><td>3</td><td>1</td></tr> <tr><td>KZN</td><td>2</td><td>1</td><td>-1</td></tr> <tr><td>LP</td><td>2</td><td>2</td><td>0</td></tr> <tr><td>MP</td><td>2</td><td>2</td><td>0</td></tr> <tr><td>NC</td><td>2</td><td>2</td><td>0</td></tr> <tr><td>NW</td><td>2</td><td>7</td><td>5</td></tr> <tr><td>WC</td><td>2</td><td>1</td><td>-1</td></tr> <tr><td><b>Total</b></td><td><b>18</b></td><td><b>24</b></td><td><b>6</b></td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Local</th> </tr> <tr> <th>Prov.</th> <th>Target</th> <th>Actual Advocacy campaigns</th> <th>Variance</th> </tr> </thead> <tbody> <tr><td>EC</td><td>48</td><td>93</td><td>45</td></tr> <tr><td>FS</td><td>33</td><td>48</td><td>15</td></tr> <tr><td>GP</td><td>78</td><td>74</td><td>-4</td></tr> <tr><td>KZN</td><td>48</td><td>119</td><td>71</td></tr> <tr><td>LP</td><td>39</td><td>84</td><td>45</td></tr> <tr><td>MP</td><td>42</td><td>42</td><td>0</td></tr> <tr><td>NC</td><td>21</td><td>85</td><td>64</td></tr> <tr><td>NW</td><td>30</td><td>66</td><td>36</td></tr> <tr><td>WC</td><td>39</td><td>37</td><td>-2</td></tr> <tr><td><b>Total</b></td><td><b>378</b></td><td><b>648</b></td><td><b>270</b></td></tr> </tbody> </table>	Provincial				Prov.	Target	Actual Advocacy campaigns	Variance	EC	2	4	2	FS	2	2	0	GP	2	3	1	KZN	2	1	-1	LP	2	2	0	MP	2	2	0	NC	2	2	0	NW	2	7	5	WC	2	1	-1	<b>Total</b>	<b>18</b>	<b>24</b>	<b>6</b>	Local				Prov.	Target	Actual Advocacy campaigns	Variance	EC	48	93	45	FS	33	48	15	GP	78	74	-4	KZN	48	119	71	LP	39	84	45	MP	42	42	0	NC	21	85	64	NW	30	66	36	WC	39	37	-2	<b>Total</b>	<b>378</b>	<b>648</b>	<b>270</b>	6	Over-achievement was due to community demand for the service because of the high rate of unemployment
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	1.3 Number of work-seekers registered on ESSA per year	<b>Not Achieved</b> A total of 618 570 (95% of target) work-seekers were registered, and is reflected on the branches business systems	600 000	<b>Achieved</b> 634 503 work-seekers registered.	34 503																																																
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					<p>* Other indicates work-seekers registered at Head Office and on-line</p> <p>* Due to ICT limitations the annual total per province may differ from the annual statistics but the total will remain the same</p>																																																

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	1.4 Number of registered work-seekers provided with employment counseling per year	<b>Achieved</b> A total of 246 744 work-seekers were provided with employment counseling	250 000	<b>Not Achieved</b> 208 861 work-seekers were provided with employment counseling.	- 41 139																																																
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	1.5 Number of registered work-seekers placed in registered employment opportunities per year	<b>Not Achieved</b> A total of 14 634 (73%) work-seekers were placed against a target of 20 000.	25 000	<b>Not Achieved</b> 10 927 work-seekers were placed	-14 073	Insufficient staff resources - unfiled employment counselor and ESP positions																																																
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	1.6 Number of employment opportunities registered on ESSA per year	<b>Achieved</b> A total of 74 056 employment opportunities were registered	62 000	<b>Achieved</b> 102 631 Employment opportunities registered	40 631	More local advocacy campaigns conducted increased the number of opportunities registered by employers																																																											
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1.7	Private Employment Agencies and Temporary Employment Services registered within 60 days	<p><b>Not Achieved</b></p> <p>Private Employment Agencies 320 (of 354) PEAs were registered</p> <p>17 (of 30) TES were processed</p>	All complete PEA applications processed within 60 days of receipt	<p><b>Not Achieved</b></p> <p>281 PEAs processed within 60 days and 116 processed beyond 60 days.</p> <table border="1"> <thead> <tr> <th>Prov.</th> <th>Total received during</th> <th>Actual processed within 60 days</th> <th>Number processed after 60 days</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>28</td> <td>28</td> <td>0</td> </tr> <tr> <td>FS</td> <td>9</td> <td>11</td> <td>0</td> </tr> <tr> <td>GP</td> <td>148</td> <td>107</td> <td>53</td> </tr> <tr> <td>KZN</td> <td>40</td> <td>15</td> <td>29</td> </tr> <tr> <td>LP</td> <td>18</td> <td>18</td> <td>0</td> </tr> <tr> <td>MP</td> <td>27</td> <td>4</td> <td>23</td> </tr> <tr> <td>NC</td> <td>3</td> <td>1</td> <td>2</td> </tr> <tr> <td>NW</td> <td>3</td> <td>0</td> <td>3</td> </tr> <tr> <td>WC</td> <td>97</td> <td>97</td> <td>6</td> </tr> <tr> <td><b>Total</b></td> <td><b>373</b></td> <td><b>281</b></td> <td><b>116</b></td> </tr> </tbody> </table> <p>* The difference in applications received and processed is due to backlog from 2014/15</p> <p>* Applications received towards year end, will be carried to 2016/17</p>	Prov.	Total received during	Actual processed within 60 days	Number processed after 60 days	EC	28	28	0	FS	9	11	0	GP	148	107	53	KZN	40	15	29	LP	18	18	0	MP	27	4	23	NC	3	1	2	NW	3	0	3	WC	97	97	6	<b>Total</b>	<b>373</b>	<b>281</b>	<b>116</b>	116	<p>Staff capacity: Inspection of premises of PEA applicants</p> <p>Irregular adjudication meetings of applications</p>
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2. Foreign nationals individual and corporate work visas processed	2.1 Applications for foreign nationals corporate and individual work visa processed within 30 working days	<p><b>Not Achieved</b> (95 corporate work visas and 741 individual work visas) applications were received. Corporate (53% achieved) 49 processed within 30 days</p> <p>Individual permits (68% achieved) 502 processed within 30 days</p>	All complete applications for foreign nationals corporate and individual work visa processed within 30 working days	<b>Not Achieved</b>	34 Corporate applications processed within 30 days and 57 processed beyond 30 days.	<p>Applications Received</p> <p>Applications processed</p> <p>No of workers</p> <p>Positive recommendation</p> <p>Negative recommendation</p> <p>Finalised within 30 days</p> <p>Finalised beyond 30 days</p>	57	Changes introduced in the new Immigration Regulations that became effective from 26 May 2014 and insufficient staff to deal with increased volumes of applications  ESSA system challenges																																																																																
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				Applications Received	Applications processed	No of workers	Positive recommendation	Negative recommendation	Finalised within 30 days	Finalised beyond 30 days			
	Prov.			81	99	99	9	78	48	51			
	EC			11	12	12	0	12	2	10			
	FS			386	856	856	61	790	77	779			
	GP			65	150	150	7	141	29	121			
	KZN			41	47	47	5	42	22	25			
	LP			57	50	50	3	36	21	29			
	MP			6	8	8	0	7	5	3			
	NC			23	25	25	2	23	7	18			
	NW			279	319	319	23	291	103	216			
	WC			<b>949</b>	<b>1 566</b>	<b>1 566</b>	<b>110</b>	<b>1 420</b>	<b>314</b>	<b>1 252</b>			
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3. Statutory bodies and designated organisations funded and monitored.	3.1 Number of MoAs signed between DG and CEOs of statutory bodies and designated organisations, funding transferred and performance reports monitored per year.	<p><b>Achieved</b></p> <p><b>During Quarter 1:</b> Tender specifications were published on the government gazette dated 27 June 2014 with the closing date of 11 July 2014</p> <p><b>During Quarter 2:</b> Tender Lab 03 and Lab 04 were published in the Government Gazette. For Tender Lab 04 (Subsidy Scheme for Placement Officials) no bidders were found that submitted the correct documentation according to Supply Chain Procedures</p> <p><b>During Quarter 3:</b> MOAs were concluded with disability organisations</p> <p><b>During Quarter 4:</b> The outstanding MoA's for placement officers (SANCB and NCPD/DSA) were signed off. Six Workshops for the Blind (100%) and two National Councils (100%) were monitored through personal visits. Performance was monitored for Q3 and Q4. Quarterly reports were consolidated for 100% organisations up to Q3-awaiting Q4 reports</p>	8 MoAs signed between DG and CEOs of statutory bodies and designated organisations and funding transferred and performance monitored by the end of March 2016	<p><b>Achieved</b></p> <p>9 MoAs were signed between the DG and the CEOs of the statutory bodies. (8 with Workshops for the Blinds and National Councils for the Blinds and 1 for Productivity SA) Performance agreements were concluded with the CEO of SEE and the CF Commissioner as the DG is the Accounting Officer of the two entities. Performance of the statutory bodies, designated organisations and entities monitored quarterly. Funding transferred.</p> <p><b>Progress Against Target: MoA's with the workshops.</b></p> <ol style="list-style-type: none"> <li>1. MoA's for the 3 years (2015-2018) signed by the DG</li> <li>2. Performance was reviewed for all workshops</li> <li>3. Funding transferred for the year-2015/16 is R10 340 538.32</li> </ol> <p><b>Progress Against Target: MoA's with councils/federations</b></p> <ol style="list-style-type: none"> <li>1. MoA's for the 3 years (2015-2018) signed by the DG</li> <li>2. Performance was reviewed for all the councils</li> <li>3. Funding transferred for the year 2015/16 is R 725 070.80</li> </ol> <p><b>Supported Employment Enterprises (SEE)</b></p> <ol style="list-style-type: none"> <li>1. Drawdown agreement for 2015/16 signed by the DG</li> <li>2. Performance of the Supported Employment Enterprises reviewed</li> <li>3. Funding transferred for the year 2015/16 is R 134 164 001</li> </ol> <p><b>Productivity SA</b></p> <ol style="list-style-type: none"> <li>1. MoA for 2015/16 signed by the DG</li> <li>2. Performance of Productivity SA reviewed</li> <li>3. Funding transferred for the year 2015/16 is R 45 531 000</li> </ol>	None	None

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES						
STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5)						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
		<p>The variance in payment to Workshops for the Blind emanates from Q4 transfers that have to be made in Q1 of 2015-2016 due to submission of supporting documents at end of March 2015. The large variance for payment to National Councils was due to the fact that only two Councils were paid for half a year and the fact that their performance was not up to standard</p> <p>MOA's were concluded after approval was granted by the National Treasury only during October 2014</p>				

## 2.4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

**Programme Purpose:** Facilitate the establishment of an equitable and sound labour relations environment and the promotion of South Africa's interest in international labour matters through research, analysing and evaluating labour policy and providing statistical data on the labour market, including providing support to institutions that promote social dialogue.

The programme consists of the following sub-programmes:

- **Management and Support Services:** Labour Policy and Industrial Relations manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function sub-programmes
- **Strengthen Civil Society:** Funds civil society organisations that protect vulnerable workers in order to contribute to a stable and smooth functioning labour market by providing resources, support and expertise to improve the independence and self-reliance of workers through transfers to the Development Institute for Training, Support and Education for Labour (DITSELA), the Workers' College Natal, the Congress of South African Trade Unions (COSATU), the South African Confederation of Trade Unions (SACOTU), the South African Labour Bulletin and selected rural advice offices
- **Collective Bargaining:** Manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations. Funds are mainly used to: register labour organisations and de-register those that are noncompliant; publish and extend collective agreements; support and advance participation in collective bargaining structures; participate in the governance structures of the Commission for Conciliation, Mediation and Arbitration; and to participate in relevant National Economic Development and Labour Council (NEDLAC) activities
- **Employment Equity:** Promotes equity in the labour market through improving the enforcement of the Employment Equity Act (1998)
- **Employment Standards:** Protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997)
- **Commission for Conciliation, Mediation and Arbitration:** Funds are transferred to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute prevention and dispute resolution services
- **Research, Policy and Planning:** Researches and monitors working conditions and policies affecting the labour market in South Africa
- **Labour Market Information and Statistics:** Collects, collates, analyses and disseminates internal and external labour market statistics about changes in the South African labour market that impact on legislation
- **International Labour Matters:** Contributes to global policy formulation and facilitates compliance with international obligations through multi-and bilateral relations
- **National Economic Development and Labour Council:** Funds are transferred to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity.

Outcome 4	Improve the quality of labour market services to contribute to decent employment through inclusive economic growth
Strategic Goals	10. Promote equity in the labour market 3. Protect vulnerable workers 6. Promote sound labour relations 7. Monitor the impact of legislation
Outcome 11	Creating a better South Africa and contributing to a better and safer Africa
Strategic Goal	4. Strengthen multilateral and bilateral relations

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
<b>STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 4)</b>						
1. Employment Equity in the labour market ensured and enforcement improved	1.1 Employment Equity Amendment Act implemented within set time frames	<p><b>Achieved</b> The Employment Equity Amendment Act, 2013 and EE Regulations of 2014 commenced on 1 August 2014</p> <p><b>Not Achieved</b> Code of Good Practice on Equal Pay for Work of Equal Value finalised by 31 March 2015. It was only published in June 2015</p> <p><b>Achieved</b> 18 workshops were conducted with stakeholders in provinces on amended EEA and amended EE regulations</p> <p><b>Achieved</b> The 2013 to 2014 Annual Employment Equity Report and Public Register were published and launched by the Minister at the Employment Equity and Transformation Indaba on 9 April 2014</p> <p><b>Achieved</b> The 2014 to 2015 Annual Employment Equity Report and Public Register were finalised by 31 March 2015</p> <p>2014-2015 Annual Report developed; and 2014-2015 Public Register developed and published in Government Gazette No. 38 587</p>	<p>Conduct 9 workshops on Code on Equal Pay for Work of Equal value by 30 September 2015</p> <p>Amended Code on Employment of People with Disabilities published by March 2016</p> <p>2014-2015 Annual Employment Equity Report Public Register published by 30 June 2015</p> <p>2015-2016 Annual Employment Equity Report and Public Register developed by 31 March 2016</p>	<p><b>Achieved</b> 9 workshops conducted on Code on Equal Pay for Work of Equal Value by 30 September 2015</p> <p><b>Achieved</b> Amended Code of Good Practice on Employment of People with Disabilities published in Government Gazette on 11 November 2015</p> <p><b>Achieved</b> 2014-2015 Annual Employment Equity Report and Public Register published by 30 June 2015</p> <p><b>Achieved</b> 2015-2016 Annual Employment Equity Report and Public Register developed by 31 March 2016.</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>



PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
		<b>Achieved</b> Project Close-Out reflecting 30 companies assessed on income differentials finalised	30 Companies income differentials assessed to promote the principle of Equal Pay for Work of Equal Value	<b>Achieved</b> 30 Companies' income differentials assessed to promote the principle of Equal pay for Work of Equal Value by 31 March 2016.	None	None
STRATEGIC GOAL 3: PROTECT VULNERABLE WORKERS (OUTCOME 4)						
2. Basic conditions of employment in the Labour market ensured	2.1 To grant/refuse applications for exemption within a set time frame by March 2016	<b>Achieved</b> 176 exemptions on the BCEA were processed 92 processed within 60 days and 84 were not competent	Application for variation on the BCEA processed within 60 days by March 2016	<b>Not Achieved</b> 75 applications were processed. 75% were granted within 60 days	Legal challenges by parties	Process streamlined
3. Establish basic standards and minimum wages	3.1 Number of new and existing sectoral determinations reviewed and investigated by March 2016	<b>Achieved</b> Domestic Workers and Contract Cleaning Workers Sectoral Determination reviewed <b>Not Achieved</b> Conduct investigation for Domestic and Farm workers Provident Fund by 2015 <b>Achieved</b> 2 New sectors investigated for possible setting of minimum wages and conditions of employment Two new sectors were investigated: Garden Service Building Construction Sector	Review four Sectoral Determinations by March 2016	<b>Achieved</b> All 4 (four) sectoral determinations (Private Security; Wholesale and Retail; Forestry; and Farmworker sectoral determinations) were reviewed	None	None
		<b>Achieved</b> 2 New sectors investigated for possible setting of minimum wages and conditions of employment Two new sectors were investigated: Garden Service Building Construction Sector	1 New sector investigated for possible setting of minimum wages and conditions of employment	<b>Achieved</b> 1 new sector, the Abattoir sector was investigated for possible setting of minimum wages and conditions of employment. Report was submitted to the ECC	None	None

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
<b>STRATEGIC GOAL 4: STRENGTHENING MULTILATERAL AND BILATERAL RELATIONS (OUTCOME 11)</b>						
4. Ensure compliance with the country's international obligation	4.1 Number of reports on ILO Article 19 and 22 submitted by 30 September 2015 and 31 March 2016 respectively	<b>Achieved</b> 8 Reports submitted • 7 reports in terms of Article 22 of the ILO Constitution submitted to the ILO • 1 report in terms of Article 19 of the ILO Constitution submitted to the ILO	7 Reports  1 Article 19 and 6 Article 22	<b>Achieved</b> Finalised 1 Article 19 Report  <b>Achieved</b> Finalised 6 Article 22 reports	None	None
<b>STRATEGIC OBJECTIVE 6: PROMOTE SOUND LABOUR RELATIONS (OUTCOME 4)</b>						
5. Promoting sound Labour Relations	5.1 Number of Collective agreements extended within 60 days of receipt	<b>Not Achieved</b> 20 collective agreements were within 60 days of receipt	18	<b>Not Achieved</b> 32 collective agreements extended to non-parties for reporting period:- • 1 collective agreements extended to non-parties within 60-days of receipt • 31 collective agreements extended to non-parties in longer than 60-days of receipt	14 additional collective agreements received from Bargaining Councils for extension and only one agreement extended within 60 days of receipt	LRA Amendments to section 32 (5) did not make provision for the extra 21 days when extensions of collective agreements were published for comments. This has been the main reason for delays in processing agreements. Further amendments to LRA under consideration
	5.2 100% of competent and labour organisation applications processed within 90 days of receipt	<b>Not Achieved</b> 98% 147 applications considered and finalised within 90-days of receipt: • 5 approved within 90-days • 139 refused within 90-days 2 refused in more than 90 days 100%+ Complete – Q1-Q4 • 100%+ Complete- Annual Report	100%	<b>Not Achieved</b> 97% of labour organisation applications processed within 90 days of receipt. 134 Applications considered and finalised for reporting period: • 10 approved within 90-days • 119 refused within 90-days • 3 approved in longer than 90-days • 1 refused in longer than 90-days	4 cases were processed in longer than the required 90 day period due to internal process delays	Further delegations from Registrar to Deputy Registrar to be considered to minimise process delays

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
<b>STRATEGIC GOAL 7: MONITORING THE IMPACT OF LEGISLATION (OUTCOME 4)</b>						
6. Impact of legislation and labour market trends monitored and evaluated	6.1 A number of labour market trends reports published and research reports produced	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>By 4 September 2014, four annual labour market reports were published. These include: Annual Administrative Statistics report 2013, Industrial Action report 2013, Job Opportunity and Unemployment in the SA Labour Market report 2013/14 and Annual Labour Market Bulletin 2013/14. Media statements were also released for all annual reports by September 2014</li> <li>By March 2015, two annual reports were finalised and submitted to the Minister for approval. These include: Industrial Action Report 2014 and Annual Administrative Statistics Report 2014</li> <li>In addition, the national Client Satisfaction Survey report 2014 was also completed and submitted to the Minister for approval by 31 March 2015</li> </ul>	4 Annual Labour Market Trend reports published by September 2015	<p><b>Not Achieved</b></p> <p>By March 2016, two annual labour market reports were produced. These include: Annual Industrial Action report 2015 and the Annual Administrative Statistics report 2015, these reports will be published by September 2016.</p> <p>By June 2015, two annual labour market reports were produced. These include: Annual Labour Market Bulletin 2014/15 and the Job Opportunity and Unemployment in the South African Labour Market 2014/15 reports. These were published by September 2015.</p> <p>By September 2015, 4 reports were published. These include: Annual Industrial Action report 2014, Annual Administrative Statistics report 2014, Annual Labour Market Bulletin 2014/15 and the Job Opportunity and Unemployment in the South African Labour Market 2014/15.</p>	<p>The 2 annual reports could not be published in the financial year 2015/2016 as per the TID in the APP 2015/16.</p> <p>An oversight has been recorded with the production and publication of the report. The method of calculation indicates the number of reports produced by 31 March 2016. In this regard, only two annual reports are counted but not yet published by September 2016 because it falls in the next financial year.</p> <p>This oversight shall be corrected in the 2017/18 APP which will allow the unit to reflect on the production of 4 annual reports within a given financial year.</p>	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	PLANNED TARGET 2015/2016	ACTUAL ACHIEVEMENT 2015/2016	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016	COMMENTS ON THE DEVIATIONS
		<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>Four final research reports were developed and submitted to the DDG for sign off</li> <li>Analysing effectiveness of bargaining council exemptions</li> <li>Evaluating progress made towards reducing working hours to 40 hours</li> <li>Assessing knowledge levels about the work of the Department and its communication campaigns</li> <li>Work-seekers attitude towards job offers in the South African labour market.</li> </ul>	Four literature review reports and data collection instruments for RME Agenda 4 completed by March 2016	<p><b>Achieved</b></p> <p>The following were developed:</p> <ol style="list-style-type: none"> <li><b>National Minimum wage:</b> Data collection instruments developed, discussed and approved. Final research report was signed-off by the committee</li> <li><b>Analysis of bursary recipient s' performance:</b> Data collection instruments developed, discussed and approved. Data collected, analysed and draft report developed</li> <li><b>Active Labour Market Policy:</b> Data collection instruments developed, discussed and approved</li> <li><b>Resource Adequacy</b> Data collection instruments developed, discussed and approved. Interview commenced with internal stakeholders</li> </ol>	None	None

## 2.5 LINKING PERFORMANCE WITH BUDGETS FOR THE YEAR ENDED 31 MARCH 2016

Voted funds and Direct charges	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme						
1. Administration	814 047	745 637	68 410	764 919	675 957	88 962
2. Inspection and Enforcement Services	472 894	472 894	-	432 405	430 878	1 527
3. Public Employment Services	497 297	485 099	12 198	481 533	465 264	16 269
4. Labour Policy and Industrial Relations	919 996	908 365	11 631	867 435	847 837	19 598
<b>TOTAL</b>	<b>2 704 234</b>	<b>2 611 995</b>	<b>92 239</b>	<b>2 546 292</b>	<b>2 419 936</b>	<b>126 356</b>

Regarding the overall performance of the Department from 01 April 2015 to 31 March 2016 - 50% of the targets were achieved and 96.6% of the budget was spent for the 2015/16 financial year.

PROGRAMME 1: ADMINISTRATION						
	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Ministry	32 708	32 649	59	26 746	24	2 406
2. Management	402 389	375 380	27 009	388 360	340	14 522
3. Corporate Services	67 306	63 366	3 940	63 604	373 838	5 954
4. Office of the Chief Financial Officer	135 776	113 160	22 616	105 174	57 650	7 721
5. Office Accommodation	175 868	161 082	14 786	181 035	97 453	58 359
					122 676	
<b>TOTAL</b>	<b>814 047</b>	<b>745 637</b>	<b>68 410</b>	<b>764 919</b>	<b>675 957</b>	<b>88 962</b>

The Programme's purpose is to provide management, strategic and administrative support services to the Ministry and the Department, with a goal of building institutional capacity. To carry out this objective the Programme spent 91.6 % of its allocated budget for the 2015/2016 financial year and achieved 44% of the predetermined targets. Therefore, the allocation was sufficient to carry out the objectives of the Programme.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES						
	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Management and Support Services: Inspection and Enforcement Services	4 618	4 618	-	4 539	4,545	(6)
2. Occupational Health and Safety	29 338	29 338	-	22 286	22,196	90
3. Registration: Inspection and Enforcement Services	52 587	52 587	-	51 377	51,377	(0)
4. Compliance, Monitoring and Enforcement	373 034	373 034	-	340 171	340 162	9
5. Training of Staff: Inspection and Enforcement Services	6 680	6 680	-	6 127	5 484	643
6. Statutory and Advocacy Services	6 637	6 637	-	7 905	7 114	791
<b>TOTAL</b>	<b>472 894</b>	<b>472 894</b>	<b>-</b>	<b>432 405</b>	<b>430 878</b>	<b>1 527</b>

The Programme utilised 100% of its allocated budget to carry out its mandated objective and deliverables and achieved 63% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES						
	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sub programme</b>						
1. Management and Support Services: Public Employment Services	38 450	35 968	2 482	34 658	34 586	72
2. Employer Services	122 500	120 086	2 414	116 890	116 829	61
3. Work Seeker Services	119 458	116 038	3 420	118 832	117 234	1 598
4. Designated Groups Special Services	11 508	11 066	442	850	291	559
5. Supported Employment Enterprises	140 707	140 707	-	132 883	127 813	5 070
6. Productivity South Africa	45 531	45 531	-	43 119	43 119	-
7. Unemployment Insurance Fund	1	-	1	1	-	1
8. Compensation Fund	18 073	14 780	3 293	32 278	23 752	8 526
9. Training of Staff: Public Employment Services	1 069	923	146	2 022	1 640	382
<b>TOTAL</b>	<b>497 297</b>	<b>485 099</b>	<b>12 198</b>	<b>481 533</b>	<b>465 264</b>	<b>16 269</b>

The Programme utilised 97.5% of its allocated budget to carry out its mandated objective and deliverables and achieved 44% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sub programme</b>						
1. Management and Support Services: Labour Policy and Industrial Relations	14 240	12 578	1 662	12 148	10 135	2 013
2. Strengthen Civil Society	17 929	17 929	-	17 318	17 318	-
3. Collective Bargaining	13 318	12 582	736	14 543	13 467	1 076
4. Employment Equity	14 706	14 324	382	14 355	9 943	4 412
5. Employment Standards	12 791	10 961	1 830	12 433	11 035	1 398
6. Commission for Conciliation, Mediation and Arbitration	731 799	731 799	-	687 096	687 096	-
7. Research, Policy and Planning	10 431	7 110	3 321	9 039	6,677	2 362
8. Labour Market Information and Statistics	38 747	35 860	2 887	37 641	33 945	3 696
9. International Labour Matters	37 031	36 431	600	35 240	30 774	4 466
10 National Economic Development and Labour Council	29 004	28 791	213	27 622	27 447	175
<b>TOTAL</b>	<b>919 996</b>	<b>908 365</b>	<b>11 631</b>	<b>867 435</b>	<b>847 837</b>	<b>19 598</b>

The Programme utilised 98.7% of its allocated budget to carry out its mandated objective and deliverables and achieved 43% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

## 2.6 TRANSFER PAYMENTS

### 2.6.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity	Achievements of the public entity
Compensation Fund (CF)	The Compensation Fund's (CF) main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases	R 18 073	R 14 780	Detailed information regarding performance information, achievements and financial status is available in the published Annual Report of the Compensation Fund.
Commission for Conciliation, Mediation and Arbitration (CCMA)	To resolve workplace disputes through conciliation, mediation and arbitration	R 731 799	R 731 799	146, 459 Cases referred. 130, 446 Cases settled. 24, 661 Pre-conciliations heard. 16, 299 Pre-conciliations settled. 60, 383 Con-arbs heard. 53, 629 Con-arbs finalised
Productivity SA	Transfer of productivity knowledge and skills in order to contribute to sustainable Employment Creation	R45 531	R45 531	6 917 beneficiaries capacitated on productivity related concepts: 4 837 SMMEs and cooperatives 642 ETD service providers 934 Workers 205 Government/SOE Managers 299 Skills Development Facilitators
National Economic Development and Labour Council (NEDLAC)	<ul style="list-style-type: none"> <li>Promote economic growth, participation in economic decision making and social equity through social dialogue</li> <li>Provide for the establishment of a national economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1956; and to provide for matters connected therewith</li> <li>Considers all proposed labour legislation relating to labour market policy before it is introduced in Parliament</li> <li>Considers all significant changes to social and economic policy before it is implemented or introduced in Parliament</li> <li>Encourages and promotes the formulation of co-ordinated policy on social and economic matters</li> </ul>	R28 791	R28 791	<p>The following reports have been developed:</p> <ul style="list-style-type: none"> <li>Research on the Expanded Public Works Programme</li> <li>Tax Incentive Act</li> <li>Davis Tax Committee Report</li> <li>Strategic Session Report</li> <li>Chambers research reports</li> <li>Quarterly Financial Reports</li> </ul> <p>The following legislative engagements were concluded:</p> <ul style="list-style-type: none"> <li>National Veld Fire Amendment Bill</li> <li>National Forestry Amendment Bill</li> <li>Road Accident Amendment Bill</li> <li>Financial Sector Regulations Bill</li> <li>White Paper on National Aviation Policy</li> <li>Green Paper on National Rail Policy</li> <li>Private Member's Bill</li> <li>Mine Health and Safety Amendment Bill</li> <li>Occupational Health and Safety Amendment Bill</li> <li>The Road Accident Benefit Scheme Bill</li> <li>Market Conduct Policy</li> <li>Code of Good Practice on Equal Pay for Work of Equal Value</li> <li>Border Management Agency Bill, 2015</li> <li>A Code of Good Practice on Collective Bargaining developed</li> <li>NEDLAC International minimum wage summit convened</li> <li>Server upgraded to Mimecast</li> <li>Submission of briefing report on Commission for Employment Equity to the Chamber</li> </ul>
Unemployment Insurance Fund (UIF)	-	Nil	Nil	No funds budgeted or transferred.

## TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the Entity	Reasons for the funds not paid over
Supported Employment Enterprises (SEE) previously Sheltered Employment Factories (SEF)	Trading entity	Funds were utilised by the Supported Employment Enterprises (SEE) to provide employment for people with mental and physical disabilities that prevented them from entering the open labour market, due to the nature of their afflictions	Yes	135 050	135 050	N/A

Regarding the transfers to other institutions than public entities, please refer to Annexure 1B to E of the AFS.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount Budgeted	Amount transferred (R'000)	Reasons for the funds were not transferred
NIL	NIL	NIL	NIL	NIL	NIL

## 2.7 CONDITIONAL GRANTS

During the year under review, the Department did not receive or utilise any conditional grants.

## 2.8 DONOR FUNDS

During the year under review, the Department did not receive or utilise any donor funds.

## 2.9 CAPITAL INVESTMENT

### Capital investment, maintenance and asset management plan




	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Infrastructure projects	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	2 000	511	1 489	1 884	1 867	17
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	2 000	2 560	(560)	11 604	1 587	10 017
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>Total</b>	<b>4 000</b>	<b>3 071</b>	<b>929</b>	<b>13 488</b>	<b>3 454</b>	<b>10 034</b>



- a) The Department compiled a capital investment and asset management plan in accordance with the GIAMA and submitted it to the Department of Public Works
- b) The expenditure incurred during the 2015/16 financial year was for the following projects:
- An amount of R 142 468.11 for consultant fees for the site clearance and planning of Bochum, Mt Ayliff and Mogwase Labour Centres
  - An amount of R 334 786.47 was paid for the Rustenburg labour centre project that was completed
  - Planning for the Mt Ayliff and Taung Labour Centre construction is in final stages as plans were adapted to latest needs and should go to the bid process in the 2016/17 financial year.
- c) Due to a delay in the completion of registered capital projects and confirmation of project plans by DPW, it is difficult for the Department to budget for projects.
- d) Amount spent for the 2015/16 financial year on Capital Works was R 477 254.58

## 2.10 PERFORMANCE PER PROGRAMME INCLUDING INDICATORS PARTIALLY ACHIEVED

### 2.10.1 LEGEND

LEGEND	IMPLICATION
	Implication: <b>Achieved</b> Performance Indicator is on track or reflects complete implementation. Target achieved <b>100% + Complete</b>
	Implication: <b>Partially Achieved</b> Performance Indicator is on track or reflects complete implementation. Target achieved <b>75-99% Complete</b>
	Implication: <b>Not Achieved</b> Performance Indicator behind schedule. Target not achieved immediate intervention is needed. <b>0% - 75% Complete</b>

### 2.10.2 PERFORMANCE PER PROGRAMME

Programme	Total number of indicators	Achieved	Partially Achieved	Not Achieved
Administration	18	8 (44%)	5 (28%)	5 (28%)
Inspections and Enforcement Services	16	10 (63%)	3 (18.5%)	3 (18.5%)
Public Employment Services	9	4 (44%)	1 (12%)	4 (44%)
Labour Policy and Industrial Relations	7	3 (43%)	- (0%)	4 (57%)
<b>OVERALL PERFORMANCE</b>	<b>50</b>	<b>25 (50%)</b>	<b>9 (18%)</b>	<b>16 (32%)</b>



# PART C

## GOVERNANCE

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## PART C: GOVERNANCE

### 3.1 INTRODUCTION

The Department is committed to maintain the highest standards of governance which is fundamental to the management of public finances and resources. The public want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the state resources, which are funded by the tax payer.

#### 3.1.1 CORPORATE GOVERNANCE ARRANGEMENTS

##### Governance Structures and Responsibilities

- In an on-going effort to ensure that the Department is managed responsibly and ethically, reviews and updates are done for governance processes and practices. The Department operates according to the understanding that ethical and effective corporate governance requires a combination of internal regulation and compliance with the regulatory environment in which it conducts its business
- Management is compliant with and guided by, inter alia, the provisions of the Public Finance Management Act, Public Service Act and other legislations and governance principles. The King III report brings about added compliance requirements that moving forward; the Department will embrace and comply with.

### 3.2 RISK MANAGEMENT

#### 3.2.1 RISK GOVERNANCE

##### RISK MANAGEMENT POLICIES AND STRATEGIES

The Department is committed to implementing and maintaining effective, efficient and transparent systems of risk management as outlined by section 38 (a) of the Public Finance Management Act. The Department has an approved Risk Management Policy and Strategy.

##### RISK MANAGEMENT COMMITTEE

The Director – General (DG) has delegated the oversight of Risk Management to the Risk Management Committee which regularly reviews significant risks and the mitigating strategies designed to manage these risks. The DG retained overall accountability and responsibility of the Department’s Risk Management.

The Risk Committee is chaired by an independent person and has one additional independent member.

During the year under review the Committee met four times and was satisfied that management has implemented adequate mitigation strategies in addressing the risks identified.

#### 3.2.2 RISK MANAGEMENT PROCESS

##### RISK ASSESSMENT AND MONITORING PROCESS

Risk assessment is conducted over a year cycle during the Department’s Strategic Planning period and thereafter monitored quarterly. During the year under review the Department identified 39 strategic risks. Out of the 39 risks identified, 12 were emerging risks and 27 were carried over from the previous year.

### 3.3 FRAUD AND CORRUPTION

The Department has an anti Fraud and Corruption Prevention Policy and Strategy. The purpose of the Strategy is to create a culture which is intolerable to corruption / fraud; Prevent, detect and investigate corruption/ fraud.

All suspected fraud or criminal activity is reported to the Fraud Investigation unit via the fraud hotline, email and/ or walk-in. During the 2015/16 financial year the Department received 71 fraud related cases, 39 cases were investigated and finalised. Fraud Awareness campaigns and Fraud Risk Assessments are conducted.

### 3.4 MINIMISING CONFLICT OF INTEREST

The Department has implemented processes to minimise conflict of interest. These processes are as a result of legislative requirements and best practices that we intend to enrich. All members of the Senior Management Service are required to declare their business interests annually. All other officials are required to follow the prescribed disclosure mechanisms should they perform remunerative work outside of the public sector.

Critical to strengthening organisational integrity, and in addition to the above, pre-employment screening, vetting processes of both employees and service providers; declarations during recruitment processes; supply chain practitioners signing the Code of Conduct; and the signing of declaration by the oversight committee members are amongst others initiatives implemented to manage possible conflict of interest.

### 3.5 CODE OF CONDUCT

In order to give practical effect to the relevant constitutional provisions relating to the Public Service, all employees are expected to comply with the Code of Conduct.

The Code act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service.

The need exists to provide guidelines to employees with regard to their relationship with the legislature, political and executive office-bearers, other employees and the public and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests and what is expected of them in terms of their personal conduct in public and private life.

It is expected of the Departmental Code of Conduct to evoke a commitment to high standards of professionalism in order to contribute significantly to a more effective and sufficient service delivery to our clients and stakeholders as well as to the elimination of corruption in the Department. Employees need to be aware of what is expected of them from an ethical point of view, both externally and within the Department. Therefore, all employees in the Department will be expected to comply with this Code of Conduct in order to give effect to its purpose i.e:

- The maintenance of discipline
- The promotion of professionalism
- To ensure confidence in the Public Service.

### 3.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department developed an Environmental, Health and Safety Plan.

The Department has a Health and Safety Committee to ensure that health and safety issues are adhered to.

In respect of the year under review, meetings were held to discuss the following:

- Ventilation in buildings
- Safety of officials against hazards

- The protocol to report incidents
- OHS compliance checklists to be completed monthly
- Training to internal staff regarding OHS matters
- Training of Security Officers.

### 3.7 PORTFOLIO COMMITTEES

The Department attended various briefings as follows:

DATE	AGENDA
<b>COMMITTEE: PORTFOLIO COMMITTEE ON LABOUR</b>	
15 April 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes and draft committee programme</li> <li>• Response by NEDLAC on questions asked in a previous engagement with the Committee</li> <li>• Briefing by the Department of Labour on the Strategic and Annual Performance Plans of the Compensation Fund</li> </ul>
29 April 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes</li> <li>• Briefing by Department of Labour on the IES budget plans</li> </ul>
30 April 2015	<ul style="list-style-type: none"> <li>• Deliberations on the Draft Report on Budget Vote 28: Labour</li> </ul>
6 May 2015	<ul style="list-style-type: none"> <li>• Adoption of the Draft Report on Budget Vote 28: Labour</li> </ul>
12 May 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes</li> <li>• Briefing by Department of Labour on the lease challenges regarding the CCMA offices in Cape Town</li> </ul>
13 May 2015	Inaugural briefing by the Essential Services Committee
20 May 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes</li> <li>• Briefing on the Private Member's Bill amendments proposed by Mr Ollis on the LRA</li> <li>• The Department's response to the proposed amendments</li> </ul>
27 May 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes and Reports</li> <li>• Briefing on the 4th Quarterly Report of the Department of Labour</li> </ul>
17 June 2015	<ul style="list-style-type: none"> <li>• Consideration of outstanding draft minutes and reports</li> <li>• Briefing on the NEDLAC Forensic Report</li> <li>• Final Report on the LRA private Member's Bill</li> </ul>
19 June 2015	Unannounced visit to Mitchels Plain and Nyanga Labour Centres
23 – 24 June 2015	Two-days' workshop on the National Minimum Wage
29 July 2015	Briefing on the NEDLAC Forensic report resumed
12 August 2015	Briefing by the Department on the UIF activation programmes
19 August 2015	Briefing by the Department on the state of affairs at labour centres nationwide
2 September 2015	Briefing by the Research Unit on the National Minimum Wage
9 September 2015	Briefing by the Department on the CCMA lease agreement and the MOA on standards
15 – 18 September 2015	Oversight visit to farms in Mpumalanga
22 September	Workshop by AGSA and Appropriations' Committee Researchers on the expenditure review and quarterly analysis of the Department
23 September 2015	<ul style="list-style-type: none"> <li>• Briefing by the Department on QPR1 (2015/16);</li> <li>• The achievements and challenges as per the Annual Report</li> <li>• Progress regarding BRRR recommendations</li> </ul>
14 October 2015	<ul style="list-style-type: none"> <li>• Consideration of the BRRR</li> </ul>
21 October 2015	<ul style="list-style-type: none"> <li>• Further comments by the Research Unit on National Minimum Wage</li> <li>• Finalisation of the BRRR</li> <li>• Way-forward on the UIA Bill</li> <li>• Consideration of draft minutes and Oversight Report</li> </ul>
28 October 2015	<ul style="list-style-type: none"> <li>• Joint meeting with PC on Mineral Resources on issues affecting ex-mineworkers</li> </ul>
30 October 2015	<ul style="list-style-type: none"> <li>• Briefing by the Department on the UIA Bill</li> </ul>
4 November 2015	<ul style="list-style-type: none"> <li>• Progress report with regards to oversight visit to farms in Mpumalanga</li> </ul>

DATE	AGENDA
3 February 2016	Public Hearings on the Unemployment Insurance Amendment Bill
11 February 2016	State-of-the-Nation Address
17 February 2016	JOINT SITTING: Resumption of debate on President's State-of-the-nation Address
24 February 2016	<ul style="list-style-type: none"> <li>The Department's comments on the Unemployment Insurance Amendment Bill</li> <li>Deliberations on submissions received from Public Hearings on the Unemployment Insurance Amendment Bill (Committee Researcher and Content Advisor)</li> <li>Consideration of outstanding Draft Minutes</li> </ul>
2 March 2016	<ul style="list-style-type: none"> <li>Deliberations on the Unemployment Insurance Amendment Bill</li> <li>Consideration of the Draft Minutes of 24 February 2016 and the Committee Programme</li> </ul>
9 March 2016	<ul style="list-style-type: none"> <li>Consideration of the Draft Minutes of 2 March 2016</li> <li>Finalisation of the Unemployment Insurance Amendment Bill</li> <li>Pre-briefing by the FFC on the 2nd and 3rd Quarterly Report of the Department</li> </ul>
16 March 2016	Briefing by the Department on the following: <ul style="list-style-type: none"> <li>2nd and 3rd Quarterly Report of the Department of Labour</li> <li>Consideration of Draft Minutes of 9 March and Draft Committee Programme</li> </ul>

### 3.8 SCOPA RESOLUTIONS

The last SCOPA resolution received by the Department was the second report in respect of the financial year ended 31 March 2012. The Department submits quarterly progress reports to SCOPA, however action plans were developed to address the SCOPA resolutions and have subsequently been resolved as the findings of the 2011/12 Audit Report did not recur in the subsequent years.

### 3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

Audit report and important matters in the management report for the 2014/15 financial year:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
<b>Qualification</b>	<b>Unqualified opinion</b>	<b>Unqualified opinion</b>
<b>Disclaimer</b>	<b>None</b>	<b>None</b>
<b>Adverse opinion</b>	<b>None</b>	<b>None</b>
<b>Matters of non-compliance</b>	<b>None</b>	<b>None</b>
<b>Emphasis of matter</b> I draw attention to the matter below. My opinion is not modified in respect of this matter		

<p><b>Material under spending of the budget/vote</b></p> <p>As disclosed in the appropriation statement, the Department has underspent the budget to the amount of R126 356 000 (5%). The under-spending on current payments is mainly attributable to the Department of Public Works (DPW) invoicing the Department of Labour for an amount which was R88 962 000 less than what was budgeted for.</p> <p>Additionally, claims from the Compensation Fund were R16 269 000 less than anticipated, the Government Communication Information Systems (GCIS) did not provide invoices for Employment Equity Awards Awareness campaigns in time to be paid at year end and research for Research Monitoring and Evaluation agenda four amounting to R19 958 000 which were aimed to start in the last quarter and failed to do so.</p>	<p><b>2012/13</b></p>	<ul style="list-style-type: none"> <li>• The Department, in conjunction with DPW, implemented a register for leased buildings in order to determine the amount to be budgeted for. However, the Department has no control over invoices received subsequent to the financial year-end.</li> <li>• Projects undertaken by GCIS on behalf of the Department will continue until finalised and could only be finalised in the subsequent financial year(s).</li> <li>• The Department will, however ensure that, for goods and services procured, the vendors are informed of outstanding invoices prior to the financial year-end.</li> </ul>
<p><b>Additional matter</b></p> <p>Attention is drawn to the matters below. The Auditor-General's opinion is not modified in respect of these matters.</p> <p><b>Unaudited supplementary information</b></p> <p><b>REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS</b></p> <p>In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, the Auditor-General has a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control.</p> <p>The objective of the Auditor-General's tests were to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, the Auditor-General does not express an opinion or conclusion on these matters.</p> <p><b>Predetermined objectives</b></p> <p>The Auditor-General performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2015.</p> <p>The Auditor-General evaluated the reported performance information against the overall criteria of usefulness and reliability.</p> <p>The Auditor-General evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. The Auditor-General further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPPI).</p> <p>The Auditor-General assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.</p> <p>The material findings in respect of the selected programmes are as follows:</p>	<p><b>2012/13</b></p>	<p>The following was implemented to resolve the findings raised by the Auditor-General:</p> <p>A Standard Operations Manual (SOP) was compiled, which is applicable to all offices. This manual outlines how performance information must be:</p> <ol style="list-style-type: none"> <li>1. Prepared</li> <li>2. Collected</li> <li>3. Verified</li> <li>4. Reported</li> </ol> <p>A performance verification certificate (to agree with the contents / information) will be signed at each level - labour centres and provincial offices</p> <p>Provincial offices to ensure information is accessible and can support performance reporting</p> <p>Branches to ensure compliance with the National Treasury / Department of Planning Monitoring and Evaluation's prescripts to ensure institutionalisation through the approved Standard Operating Procedures as well as policies and guidelines</p> <p>Performance targets revised in order to meet the requirements of the FMPPPI.</p>

<p><b>PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICE</b></p> <p><b>Usefulness of reported performance information</b></p> <p><b>Reasons for variances not disclosed</b></p> <p>No reasons for variances between planned and actual achievements reported in the annual performance report were given for 86% of the targets as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of adequate review of the presentation of the annual performance report by Planning, Monitoring and Evaluation and the Audit committee</p> <p><b>Performance targets not specific, measurable, time bound and indicators not well defined and verifiable</b></p> <p>Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPPI. A total of 36% of significantly important targets were not specific.</p> <ul style="list-style-type: none"> <li>• Performance targets should be measurable, as required by the FMPPPI. The Auditor-General could not measure the required performance for 57% of significantly important targets</li> <li>• The period or deadline for delivery of targets should be specified, as required by the FMPPPI. A total of 21 % of the targets were not time bound</li> <li>• Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPPI. A total of 21% of significantly important indicators were not well defined</li> <li>• The processes and systems that produced the indicator should be verifiable, as required by the FMPPPI. A total of 50% of the significantly important indicators were not verifiable.</li> </ul> <p>This was as a result of management not adhering to the requirements of the FMPPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.</p> <p><b>Reliability of reported performance information</b></p> <p>The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The Auditor-General was unable to obtain the information and explanations which were considered necessary to satisfy themselves as to the reliability of the reported performance information. This was due to absence of information systems and the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information, presented with respect to the Inspection and Enforcement Services.</p>	<p><b>2012/13</b></p>	<p>The Department's Internal Audit Unit developed and implemented a risk based Internal Audit plan to determine the Department's compliance with the National Treasury Framework on Performance Information. Furthermore, corrective actions were recommended throughout the year.</p> <p>Performance Information Management System developed and implemented</p> <p>Quarterly reporting frameworks developed, wherein the requirements to report actual achievement against the planned target and further provide collaborating evidence of performance</p> <p>A certificate (to agree with the contents/ information) will be signed at each level; thus, labour centre, provincial office, COO and branch</p> <p>Monthly and quarterly spot checks of performance information will be done at Head Office, provinces and labour centres respectively</p> <p>The Department reports on financial expenditure against set targets starting from Q1 of 2015/16</p> <p>QPR Reporting frameworks are aligned to the various approved and tabled Annual Performance Plans.</p>
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<p><b>PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES</b></p> <p><b>Usefulness of reported performance information</b></p> <p><b>Reasons for variances not supported</b></p> <p>Reasons for variances between planned and actual achievements reported in the annual performance report were not supported by adequate and reliable corroborating evidence for 33% of the targets, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures, implemented to address reporting requirements in addition to a lack of adequate review of the presentation of the annual performance report by Planning, Monitoring and Evaluation.</p> <p>Performance targets not specific, measurable and indicators not well defined and verifiable</p> <ul style="list-style-type: none"> <li>• Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPPI. A total of 22% of significantly important targets were not specific</li> <li>• Performance targets should be measurable, as required by the FMPPPI. The Auditor-General could not measure the required performance for 33% of significantly important targets</li> <li>• Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPPI. A total of 22% of significantly important indicators were not well defined</li> <li>• Performance indicators should be verifiable, as required by the FMPPPI. A total of 44% of the significantly important indicators were not verifiable.</li> </ul> <p>This was as a result of management not adhering to the requirements of the FMPPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.</p> <p><b>Reliability of reported performance information</b></p> <p>The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The Auditor-General was unable to obtain the information and explanations which were considered necessary to satisfy themselves as to the reliability of the reported performance information. This was due to inadequate information systems, operational half the year under review, as well as the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information.</p>	<p><b>2012/13</b></p>	<p>Refer to progress reported for predetermined objectives for Programme 2.</p>
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<p><b>PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS</b></p> <p><b>Usefulness of reported performance information</b> Performance targets not specific , measurable and indicators not well defined and verifiable</p> <ul style="list-style-type: none"> <li>• Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPi. A total of 47% of significantly important targets was not specific</li> <li>• Performance targets should be measurable, as required by the FMPPi. We could not measure the required performance for 47% of significantly important target</li> <li>• The period or deadline for delivery of targets should be specified, as required by the FMPPi A total of 27% of significantly important targets were not time bound</li> <li>• Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use as required by the FMPPi. A total of 43% of significantly important indicators were not well defined</li> <li>• Performance indicators should be verifiable, as required by the FMPPi. A total of 29% of the significantly important indicators were not verifiable. This was because management was did not adhere to the requirements of the FMPPi due to a lack of proper systems and processes and inadequate technical indicator descriptions.</li> </ul> <p>This was as a result of management not adhering to the requirements of the FMPPi due to a lack of proper systems and processes and inadequate technical indicator descriptions</p> <p><b>Reliability of reported performance information</b> The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 29% of the significantly important targets to assess the reliability of the reported performance information. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.</p>	<p><b>2012/13</b></p>	<p>Refer to progress reported for predetermined objectives for Programme 2.</p>
<p><b>Additional matters</b> The Auditor-General draws attention to the following matters:</p>		
<p><b>Compliance with legislation</b> The Auditor-General performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. The Auditor-General's findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:</p>		
<p><b>Financial statements</b> The final financial statements submitted for auditing were not prepared in all material respects in terms of section 40(1) of the PFMA. Misstatements in aggregate of (non-current assets, receivables, clearing accounts, lease commitments), identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p><b>2012/13</b></p>	<p>The statements were corrected and accepted by the Auditor-General.</p>

<p><b>Expenditure management</b></p> <p>The Accounting Officer did not take effective steps to prevent irregular expenditure as required by section 38(1) (c) (ii), of the PFMA and TR 9.1.1.</p>	<p><b>2011/12</b></p>	<ul style="list-style-type: none"> <li>• Disciplinary action is taken against officials who do not comply with SCM prescripts</li> <li>• Training of newly appointed managers to ensure accountability and compliance to SCM prescripts</li> </ul>
<p><b>Procurement and contract management</b></p> <p>A consultants reduction plan was not in place as required by Paragraph 4.5 of National Treasury instruction 01 of 2013/14</p>	<p><b>2014/15</b></p>	<p>The template has been obtained from NT and the Department is in the process of developing a Consultancy Reduction plan</p>
<p><b>Assets and liability management</b></p> <p>Management did not clear all suspense accounts as required by Treasury Regulation 17.1.1(b).</p>	<p><b>2013/14</b></p>	<ul style="list-style-type: none"> <li>• The following action plan is in place to clear suspense accounts: <ul style="list-style-type: none"> <li>- Perform monthly reconciliations of suspense accounts</li> <li>- Identify long outstanding transactions</li> <li>- Prioritise transactions older than one year</li> <li>- Rectify / clear all outstanding transactions older than two months</li> <li>- The Department developed a procedure manual for the managing of suspense accounts</li> </ul> </li> </ul>
<p><b>Consequence management</b></p> <p>Effective and appropriate disciplinary steps were not taken against officials who possibly incurred and permitted irregular expenditure, as required by section 38(1)(h)(iii), of the Public Finance Management Act, and the Treasury Regulation 16A9.1 (b) This is due to the lack of disciplinary action being taken against officials that are alleged to have been involved in financial misconduct</p>	<p><b>2012/13</b></p>	<ul style="list-style-type: none"> <li>• Disciplinary action is taken against officials who do not comply with SCM prescripts</li> <li>• Training of newly appointed managers to ensure accountability and compliance to SCM prescripts.</li> </ul>
<p><b>Leadership</b></p> <p>The accounting officer did not effectively exercise oversight responsibility regarding information technology (IT) security management controls, (including network controls), and inadequate development of business continuity plan, and a disaster recovery plan.</p>		<ul style="list-style-type: none"> <li>• The Business Impact Analysis (BIA) in all the Branches commenced in February 2016</li> <li>• Critical business operations were identified</li> <li>• A draft BIA report currently being reviewed for inputs by the Department's Risk Management Team</li> <li>• Furthermore, a Threat Assessment was also conducted, and its focus areas were IT, OHS and Auxiliary Services</li> <li>• The Threat Assessment Report is also currently being reviewed by the Risk Management Team.</li> </ul>

### 3.10 MONITORING AND COMPLIANCE

The following tasks were performed by the Internal Control (Financial Control) Unit:

- A workshop was held to discuss findings raised by the Auditor-General, which was attended by Head Office and Provincial Office officials. During the workshop, each provincial office was assisted with developing an audit action plan from their respective audit management reports
- After receipt of the Management Report from the Auditor-General an audit action plan was developed to monitor and resolve the audit findings
- Financial inspections were performed at all Provincial Offices, problematic offices were visited twice and where appropriate, training was provided in respect of compliance to prescripts
- Ensure compliance with revenue, payments and BAS system
- BAS, SafetyWeb and SafetyNet system training provide to the respective system users during inspections.
- Review of procedure manuals to ensure compliance to amended financial prescripts as issued by National Treasury
- Document control in respect of financial transactions to detect duplication and fraudulent transactions.

### 3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

#### 3.11.1 Key activities and objectives of Internal Audit

The Department's Accounting Officer has established an Internal Audit activity under the control and direction of an audit committee complying with and operating in accordance with the Public Finance Management Act, section 77 and Treasury Regulation 3.1.

The key objective of the Internal Audit activity is to add value and improve the Departments operations by providing objective assurance and consulting services. This is done by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes.

The Internal Audit activity reviews the following:

- Risk Management processes
- The reliability and integrity of financial, operational and performance information
- Compliance with laws, regulations, policies and contracts
- Safeguarding of assets
- The economical and efficient use of resources
- Establishment of operational goals and objectives.

#### Key activities

- Development of a three year rolling internal audit plans and annual plans approved by the Audit Committee and the Accounting Officer
- Implementation of the approved internal audit plans
- Quarterly reporting to the Audit Committee
- Perform secretarial functions to the Audit Committee
- Review the Internal Audit and Audit Committee Charters
- Participation of the Internal Audit in the Department's Executive Committee meetings
- Training and development of officials to keep abreast with the professional and public service developments
- Quality Reviews of the Internal Audit activity.

#### Summary of work done

The following audit types were performed:

Department of Labour		
Audit Type	Number of Audits	Percentage
Compliance/ Regularity	7	25%
Financial audits	2	7%
Risk Management / Governance	3	11%
Performance information (pre-determined objectives)	4	14%
IT audits	9	32%
Follow-up reviews	3	11%
<b>Total</b>	<b>28</b>	<b>100%</b>

Supported Employment Enterprise		
Compliance/ Regularity	3	19%
Financial audits	4	25%
Risk management / Governance	0	0%
Performance information (pre-determined objectives)	3	19%
IT audits	2	12%
Follow up reviews	4	25%
<b>Total</b>	<b>16</b>	<b>100%</b>

### Internal Controls

Based on the work done by Internal Audit during the 2015/16 financial year, the overall control environment of the Department is reasonably adequate, however inconsistently effective in most areas. The design of the controls in the area of organisational performance (performance information) reporting has improved although it is still inadequate, due to manual processes in place. We further noted a recurrence of findings in the areas where systems have been put in place in the previous years with a high number of findings in progress. To enhance the system of controls, adequate design, implementation of recommendations, management actions, consistent and effective monitoring mechanisms should be implemented.

Control environments within the Supported Employment Enterprise was inadequate during the financial year, however, it improved in the last quarter since the appointment of the Chief Financial Officer. Management should ensure that controls are implemented to minimise the recurrence of findings.

### Risk Management

The Department's risk management processes have been established at both strategic and operational levels. However, a need for a structured approach in the identification of emerging risks is required and improving the maturity level within the Department. The risk management processes within SEE have been inadequate, which requires management and the National Risk Committee's intervention.

### Governance Processes

In our opinion, the governance processes within the Department are reasonably adequate in most areas, however inadequate in the area on Information Technology Governance. The assessment of the Department's Information Technology places the Department at level 1 maturity.

The Governance processes within the Supported Employment Enterprises were noted to be inadequate. Significant findings raised in the internal audit reports were as a result of inadequate identification and monitoring of risks within the SEE.

### 3.12 REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2016

#### INTRODUCTION

The Committee is pleased to present its report for the financial year ending 31 March 2016. The report is presented in accordance with the requirement of the Public Finance Management Act 1 of 1999 and in line with the National Treasury Annual Report guide.

#### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has discharged its oversight responsibilities to the Department of Labour independently and objectively in compliance with Section 76, 77 and 38 (1) (a) of the PFMA and Treasury Regulation 3.1. The Audit Committee adopted formal terms of reference (Audit Committee Charter) and has discharged its responsibilities as contained therein, and regulated its affairs in compliance with the Charter.

#### COMMITTEE MEETINGS

The Department of Labour has a constituted Audit Committee, comprising of four independent members and remained instrumental in providing independent advises to the Department. The Committee also provide oversight responsibilities to the Supported Employment Enterprise (SEE).

The table below discloses relevant information on the audit committee members

Name	Rank	Qualifications	Date Appointed	Date Resigned/ Contract Ended	Number of Meetings attended	Comment
Mr T Mageza	Chairperson (External)	MBL; BComm Diploma in Training Management	September 2013	No contract expiry or resignations for the period under review	5/5	None
Mr N Mhlongo	Member (External)	CA (SA); CGMA ACMA; ATC B. Com (Hons)	September 2013		4/5	None
Ms R Kalidaas	Member (External)	CA(SA) B. Com (Hons) BCompt	September 2013		4/5	None
Mr D Hlatshwayo	Member (External)	CA (SA) MBA, B Compt. (Hons)	April 2014		4/5	None

The committee also had special meetings with the Accounting Officer and the Auditor-General.

#### EFFECTIVENESS OF INTERNAL CONTROL

In line with the PFMA and best practice on corporate governance, Internal Audit provides the Audit Committee and management with assurance on the adequacy and effectiveness of the internal controls. This is achieved by means of risk management processes, evaluation of processes, identification of corrective actions and recommendations to enhance the control environment.

The Audit Committee is of the opinion, based on the work done by Internal Audit, consideration of the Auditor General final report and engagement with management and other stakeholders during year, that management has implemented adequate controls in most areas, which are inconsistently effective to manage and monitor the risks.

The adequate design of the controls in most of the areas has ensured that the Department maintains its level of sound financial management practices; however a need exist to strengthen and monitor the controls within the performance information (pre-determined objectives). The Committee noted that there is need for continuous interventions that requires consistent implementation and effective monitoring in the following areas:

- The implementation of the ICT governance framework in order to strengthen the Information Technology (ICT) control environment
- The implementation of the approved Information Technology (ICT) strategy to support the Department's strategic and annual performance plans
- The development and implementation of an adequate Information Technology (management information) system to strengthen the process of collation and reporting of the Departments Performance Information
- The reporting of Performance Information that is inadequately supported by valid and accurate evidence
- Ineffective implementation of management action plans to improve on the areas of identified weaknesses and eliminate the recurrence of audit findings
- Improvement in the level of compliance on the Management of Performance Assessment Tool (MPAT) standards.

### SUPPORTED EMPLOYMENT ENTERPRISE TRADING AS SUPPORTED EMPLOYMENT ENTERPRISE (SEE)

The Audit Committee noted some improvements in financial internal controls in the latter part (Quarter 4) of the financial year. The Committee is of the opinion that tangible and positive results will be realised in the future. However, the Audit Committee noted challenges through its advisory role based on the work performed by Internal and External Audit, that there is need for stringent interventions that require adequate design of processes, consistent implementation, and effective monitoring of processes in the following areas:

- Inadequate leadership and governance processes to strengthen the SEE control environment, improved management and transition to a government component.
- Poor turnaround time in implementing decisions and processes that impact governance and the control environment (i.e delegations, transition plan to Government entity).
- Delays in the implementation of Internal, External Audit recommendations and or management actions plans.
- The development, approval and implementation of a costing model.
- Improvement in creating a sound financial control environment to increase and meet sales targets on sales and debtors recovery.
- Poor achievements on strategic and annual performance plans

### INTERNAL AUDIT

The Department has a functional Internal Audit unit which includes internally established Information Technology. The Internal Audit unit executed its annual plan adequately and ensured that its resources cover both the Department and SEE. The committee is satisfied that the Internal Audit has operated effectively, despite its limitation of resources (human resources) for the period under review. The work performed by Internal Audit has enabled the Committee to fulfil its duties. The committee is satisfied with the coordination of the work between internal audit, risk management and external audit.

### EXTERNAL AUDIT

In the performance of its duties, the Committee considered the work and matters raised by external audit (Auditor-General). The Committee has consistently monitored the progress made by management in the implementation of corrective measures (2014/15 action plan). However, the Committee is still concerned with the high number of partially implemented management actions which results in the recurrence of the audit findings.

### RISK MANAGEMENT

The Department has a risk management function in place as per PFMA. The Audit Committee has evaluated the risk management reports during the year and is satisfied that, through the Risk Management Committee recommendations, the Internal Audit unit was able to focus on the key risks facing the Department. The Committee has noted that there is a need to improve the Department's maturity level and the Committee is of the opinion that the implementation of the risk maturity action plan will yield positive results.

## IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Audit Committee was appraised with monthly and quarterly reports during the year. The Audit Committee is satisfied with the quality of monthly and quarterly reports prepared and issued by the Department during the year.

## EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has for both the Department and Supported Employment Enterprise;

- Reviewed and discussed the quarterly/ interim financial statements during the reporting period
- Reviewed and discussed the annual Financial Statements to be presented for auditing purposes
- Reviewed the Department's and SEE compliance to legal and regulatory provisions
- Reviewed the annual Audit Report and Management Report from Auditor-General.
- Reviewed the information on predetermined objectives prepared for annual report.
- Reviewed the quality and observed the timeliness of the financial information made available to ensure that adequate oversight is provided.

## APPRECIATION

The Committee acknowledges the efforts and work by management and is confident that through the strengthening of governance processes, and consistent implementation of decisions, service delivery will be realised to enhance the Department's role in the South African labour market.

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**Mr T Mageza**  
**Chairperson of the Audit Committee**

Date: 28.07.2016







# PART D

## HUMAN RESOURCE MANAGEMENT

4.1 Introduction

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4.2 Human resources oversight statistics

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## 4. HUMAN RESOURCE MANAGEMENT

### 4.1 INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

### 4.2 HUMAN RESOURCES OVERSIGHT STATISTICS

#### 4.2.1 PERSONNEL RELATED EXPENDITURE

Table 4.2.1.1 Personnel expenditure by programme for the period 01 April 2015 to 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	745 637	325 922	4 092	3 845	12.5	104
Inspection and Enforcement Services	472 894	375 866	6 680	167	14.4	120
Public Employment Services	485 099	245 728	923	21	9.4	79
Labour Policy and Industrial Relations	908 365	78 099	818	3 145	3.0	25
<b>Total</b>	<b>2 611 995</b>	<b>1 025 615</b>	<b>12 513</b>	<b>7 178</b>	<b>39.3</b>	<b>328</b>

Table 4.2.1.2 Personnel costs by salary band for the period 01 April 2015 to 31 March 2016

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 641	0.16	5	1
Skilled (level 3-5)	181 763	17.72	554	58
Highly skilled production (levels 6-8)	646 997	63.09	1 972	207
Highly skilled supervision (levels 9-12)	172 248	16.79	525	55
Senior and Top management (levels 13-16)	22 966	2.24	70	7
<b>Total</b>	<b>1 025 615</b>	<b>100</b>	<b>3 126</b>	<b>328</b>

Table 4.2.1.3 Salaries, overtime, home owners allowance and medical aid by programme for the period 01 April 2015 to 31 March 2016

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	227 532	22.18	2 104	0.21	11 372	1.11	18 620	1.82
Inspection and Enforcement Services	268 229	26.15	49	0.00	14 205	1.39	23 300	2.27
Public Employment Services	175 738	17.14	224	0.02	6 600	0.64	11 454	1.12
Labour Policy and Industrial Relations	54 299	5.30	9	0.00	1 772	0.17	3 194	0.31
<b>Total</b>	<b>725 798</b>	<b>70.77</b>	<b>2 386</b>	<b>0.23</b>	<b>33 949</b>	<b>3.31</b>	<b>56 568</b>	<b>5.52</b>

Table 4.2.1.4 Salaries, overtime, home owners allowance and medical aid by salary band for the period 01 April 2015 to 31 March 2016

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	1 161	0.11	4	0.00	54	0.01	90	0.01
Skilled (level 3-5)	128 628	12.54	423	0.04	6 017	0.58	10 025	0.98
Highly skilled production (levels 6-8)	457 861	44.64	1 505	0.14	21 416	2.09	35 685	3.48
Highly skilled supervision (levels 9-12)	121 895	11.90	401	0.04	5 702	0.56	9 500	0.93
Senior management (level 13-16)	16 253	1.58	53	0.01	760	0.07	1 267	0.12
<b>Total</b>	<b>725 798</b>	<b>70.77</b>	<b>2 386</b>	<b>0.23</b>	<b>33 949</b>	<b>3.31</b>	<b>56 568</b>	<b>5.52</b>

## 4.2.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

The Department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration (Corporate Services)	506	449	11.3%	14
Chief Operations Officer	6 612	5 881	11.1%	54
Public Employment Services	227	167	26.4%	1
Labour Policy and Labour Market Programmes	127	105	17.3%	0
Inspection and Enforcement	76	67	11.8%	0
Social Insurance	UIF: 537 CC: 693	UIF: 428 CC: 595	UIF: 20.3% CC: 14.1%	UIF: 56 CC: 64
<b>Total</b>	<b>8 778</b>	<b>7 692</b>	<b>12.4%</b>	<b>189</b>

Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2016

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	3	2	33.3%	0
Skilled(3-5)	1 386	1 171	15.5%	171
Highly skilled production (6-8)	6 131	5 482	10.6%	7
Highly skilled supervision (9-12)	1 119	922	17.6%	6
Senior management (13-16)	139	115	17.3%	5
<b>Total</b>	<b>8 778</b>	<b>7 692</b>	<b>12.4%</b>	<b>189</b>

Table 4.2.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Inspectors	1 735	1 553	10.5%	0
Employment Services Practitioners and Career Councillors	281	252	10.3%	0
<b>Total</b>	<b>2 016</b>	<b>1 805</b>	<b>10.5%</b>	<b>0</b>

**Note**

The CORE classification, as prescribed by the DPSA, was used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- a) In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria
- b) For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction
- c) Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature
- d) In respect of which the Department experienced a high degree of difficulty to recruit or retain the services of employees.

### 4.2.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 4.2.3.1 SMS post information as on 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	1	100%	0	0%
Salary Level 15	8	7	87.5%	1	12.5%
Salary Level 14	29	27	93.1%	2	6.9%
Salary Level 13	101	80	79.2%	21	20.8%
<b>Total</b>	<b>139</b>	<b>115</b>	<b>82.7%</b>	<b>24</b>	<b>17.3%</b>

Table 4.2.3.2 SMS post information as on 30 September 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	1	100%	0	0
Salary Level 15	8	7	87.5%	1	12.5%
Salary Level 14	29	28	96.5%	1	3.5%
Salary Level 13	98	78	79.6%	20	20.4%
<b>Total</b>	<b>136</b>	<b>114</b>	<b>83.8%</b>	<b>22</b>	<b>16.1%</b>

Table 4.2.3.3 Advertising and filling of SMS posts for the period 01 April 2015 to 31 March 2016

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant.	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 16	0	0	0
Salary Level 15	1	1	0
Salary Level 14	2	1	0
Salary Level 13	4	0	0
<b>Total</b>	<b>7</b>	<b>2</b>	<b>0</b>

Table 4.2.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 01 April 2015 to 31 March 2016

#### Reasons for vacancies not advertised within twelve months

SMS posts which are currently vacant are for Compensation Fund, SEE and UIF. Four (4) of the 19 SR 13 posts were advertised and in the process of being filled for the UIF and CF. Other posts are COIDA posts which the Funds are struggling to fill due to scarce skills. UIF has posts that are technical and have been advertised over and over but no suitable candidates could be found.

#### Reasons for vacancies not filled within twelve months

Delays in obtaining security screening, vetting and competency results, all SMS posts are deemed critical and appointment rely solely on the suitability result of candidates before appointment.

Delays in obtaining competency assessment results from the registered service provider. Lack of suitable candidates with required technical skills for the posts. Head hunting exercise where suitable candidates could not be sourced through advertisements and there are no guidelines on how to head hunt candidates at this level.

**Table 4.2.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2015 to 31 March 2016**

#### Reasons for vacancies not advertised within twelve months

None

#### Reasons for vacancies not filled within twelve months

None.

### 4.2.4 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 4.2.4.1 Job Evaluation by salary band for the period 01 April 2015 to 31 March 2016**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	1 386	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	6 131	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	1 119	132	11.8%	42	31.8%	131	11.7%
Senior Management Service Band A	101	0	0	0	0	0	0
Senior Management Service Band B	29	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>8 778</b>	<b>132</b>	<b>11.8%</b>	<b>42</b>	<b>31.8%</b>	<b>131</b>	<b>11.7%</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2015 to 31 March 2016**

Gender	African	Asian	Coloured	White	Total
Female	1	1	1	2	5
Male	6	0	1	0	7
<b>Total</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>12</b>
<b>Employees with a disability</b>					<b>0</b>

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2015 to 31 March 2016**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Chief Director	1	13	14	Grading a result of job evaluation.
Director	2	13	14	One incumbent was previously a Chief of Staff at the Ministry and was later transferred to the post of Director: ESSA Dev. Management.  The other official was temporarily absorbed in post while waiting for an approved structure of ICT to be absorbed into the correct post.
ICT Project Manager	1	12	14	The incumbent was temporarily absorbed in a post while waiting for an approved structure of ICT to be absorbed into the correct post.
Security and Network Architect	1	12	14	The incumbent was temporarily absorbed in post while waiting for an approved structure of ICT to be absorbed into the correct post.
Deputy Director	21	11	12	Grading as a result of job evaluation.
Business Analyst	2	11	12	The incumbent was temporarily absorbed in post while waiting for an approved structure of ICT to be absorbed into the correct post.
Principal Medical Officer	2	11	12	DPSA Circular No 4 of 2009 with regard to the Occupation Specific Dispensation for Medical Officers, Dentists, Medical/Dental Specialist, Pharmacists, Pharmacist's Assistants and Emergency Services personnel provided for salary amounts outside the salary notch structure.
Deputy Director	2	10	12	Grading a result of Job evaluation.
Councillor	62	10	11	DPSA Circular No 4 of 2009 with regard to the Occupation Specific Dispensation for Medical Officers, Dentists, Medical/Dental Specialist, Pharmacists, Pharmacist's Assistants and Emergency Services personnel provided for salary amounts outside the salary notch structure.
SAP Analyst	4	9	11	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to absorb them into the correct posts.



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Legal Administration Officer	4	9	11	GPSSBC Resolution 1 of 2008 and PSCBC Resolution 3 of 2008 read together with the Occupational Specific Dispensation for Legally Qualified personnel provided for salary amounts outside the salary notch structure.
Assistant Director	18	9	10	Grading a result of job evaluation.
System Engineer	2	8	12	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to be absorbed into the correct posts.
System Engineer	3	8	11	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to be absorbed into the correct posts.
Network Engineer	1	8	11	The incumbent was temporarily absorbed in post while waiting for an approved structure of ICT to be absorbed into the correct post.
System Engineer	2	8	10	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to be absorbed into the correct posts.
System Security Engineering	1	8	10	The incumbent was temporarily absorbed in post while waiting for an approved structure of ICT to be absorbed into the correct post.
Field ICT Technicians	10	8	10	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to be absorbed into the correct posts.
Lecturer Nursing	1	8	10	DPSA Circular No 4 of 2009 with regard to the Occupation Specific Dispensation for Medical Officers, Dentists, Medical/Dental Specialist, Pharmacists, Pharmacist's Assistants and Emergency Services personnel provided for salary amounts outside the salary notch structure.
Field ICT Technicians	14	8	9	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to be absorbed into the correct posts.
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>154</b>
<b>Percentage of total employed</b>				<b>2.0%</b>

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2015 to 31 March 2016**

Gender	African	Asian	Coloured	White	Total
Female	72	1	2	9	84
Male	41	4	4	21	70
<b>Total</b>	<b>113</b>	<b>5</b>	<b>6</b>	<b>30</b>	<b>154</b>
Employees with a disability	0	0	0	0	0
<b>Total number of employees whose salaries exceeded the grades determined by job evaluation</b>					<b>154</b>

## 4.2.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 4.2.5.1 Annual turnover rates by salary band for the period 01 April 2015 to 31 March 2016**

Salary band	Number of employees at beginning of period 1 April 2015	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( Levels 1-2)	2	0	0	0%
Skilled (Levels3-5)	1 323	47	47	3.5%
Highly skilled production (Levels 6-8)	5 432	137	203	3.7%
Highly skilled supervision (Levels 9-12)	946	34	59	6.2%
Senior Management Service Bands A	73	4	3	4.1%
Senior Management Service Bands B	32	1	2	6.2%
Senior Management Service Bands C	6	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	339	194	274	80.8%
<b>Total</b>	<b>8 154</b>	<b>417</b>	<b>588</b>	<b>7.2%</b>

**Table 4.2.5.2 Annual turnover rates by critical occupation for the period 01 April 2015 to 31 March 2016**

Critical occupation	Number of employees at beginning of period April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Inspectors	1 599	6	44	2.7%
Employment Services Practitioners and Career Councillors	266	3	4	1.5%
<b>Total</b>	<b>1 865</b>	<b>9</b>	<b>48</b>	<b>2.6%</b>

**Table 4.2.5.3 Reasons why staff left the department for the period 01 April 2015 to 31 March 2016**

Termination Type	Number	% of Total Resignations
Death	30	9.6%
Resignation	143	45.5%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	20	6.4%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	8	2.5%
Retirement	59	18.8%
Transfer to other Public Service Departments	54	17.2%
Other	0	0%
<b>Total</b>	<b>314</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>7 692</b>	<b>4.1%</b>

Table 4.2.5.4 Promotions by critical occupation for the period 01 April 2015 to 31 March 2016

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Inspectors	1 599	11	0.7%	0	0
Employment Services Practitioners and Career Counsellors	266	1	0.4%	0	0
<b>Total</b>	<b>1 865</b>	<b>12</b>	<b>0.6%</b>	<b>0</b>	<b>0</b>

Table 4.2.5.5 Promotions by salary band for the period 01 April 2015 to 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	2	0	0%	0	0
Skilled (Levels 3-5)	1 323	4	0.3%	0	0
Highly skilled production (Levels 6-8)	5 432	137	2.5%	0	0
Highly skilled supervision (Levels 9-12)	946	38	4.0%	0	0
Senior Management (Level 13-16)	112	5	4.5%	0	0
<b>Total</b>	<b>7 815</b>	<b>184</b>	<b>2.4%</b>	<b>0</b>	<b>0</b>

## 4.2.6 EMPLOYMENT EQUITY

Table 4.2.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	54	4	4	7	37	2	1	6	115
Professionals	151	10	10	14	130	11	0	27	353
Technicians and associate professionals	1 114	95	46	104	1 178	127	45	298	3 007
Clerks	1 480	180	52	73	1 761	242	47	144	3 979
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	94	9	0	4	113	14	0	4	238
<b>Total</b>	<b>2 893</b>	<b>298</b>	<b>112</b>	<b>202</b>	<b>3 219</b>	<b>396</b>	<b>93</b>	<b>479</b>	<b>7 692</b>
<b>Employees with disabilities</b>	<b>88</b>	<b>11</b>	<b>4</b>	<b>15</b>	<b>63</b>	<b>10</b>	<b>4</b>	<b>26</b>	<b>221</b>

**Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	1	0	0	2	0	0	0	8
Senior Management	49	3	4	7	35	2	1	6	107
Professionally qualified and experienced specialists and mid-management	377	22	17	32	381	30	6	57	922
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	888	83	39	86	927	108	39	268	2 438
Semi-skilled and discretionary decision making	1 480	180	52	73	1 761	242	47	144	3 979
Unskilled and defined decision making	94	9	0	4	113	14	0	4	238
<b>Total</b>	<b>2 893</b>	<b>298</b>	<b>112</b>	<b>202</b>	<b>3 219</b>	<b>396</b>	<b>93</b>	<b>479</b>	<b>7 692</b>

**Table 4.2.6.3 Recruitment for the period 01 April 2015 to 31 March 2016**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	21	0	0	0	10	1	1	0	33
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	31	0	0	0	22	0	0	0	53
Semi-skilled and discretionary decision making	55	8	2	2	46	3	0	2	118
Unskilled and defined decision making	9	1	0	0	3	1	0	0	14
<b>Total</b>	<b>120</b>	<b>9</b>	<b>2</b>	<b>2</b>	<b>82</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>223</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

Table 4.2.6.4 Promotions for the period 01 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	3	0	0	0	0	1	0	0	4
Professionally qualified and experienced specialists and mid management	15	0	0	0	21	2	0	0	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	48	0	2	0	41	1	0	0	92
Semi-skilled and discretionary decision making	22	2	0	0	19	4	1	1	49
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>88</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>81</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>184</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

Table 4.2.6.5 Terminations for the period 01 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	3	0	0	0	5
Professionally qualified and experienced specialists and mid management	29	3	1	0	19	2	0	5	59
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	54	5	5	6	35	1	1	18	125
Semi-skilled and discretionary decision making	39	5	1	3	45	7	0	6	106
Unskilled and defined decision making	6	1	1	0	8	2	0	1	19
<b>Total</b>	<b>130</b>	<b>14</b>	<b>8</b>	<b>9</b>	<b>110</b>	<b>12</b>	<b>1</b>	<b>30</b>	<b>314</b>
<b>Employees with Disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>

Table 4.2.6.6 Disciplinary action for the period 01 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	139	11	1	9	78	9	5	8	260

Table 4.2.6.7 Skills development for the period 01 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	22	2	1	1	15	0	0	2	43
Professionals	179	23	15	11	440	18	9	36	731
Technicians and associate professionals	887	130	44	81	760	96	19	79	2 096
Clerks	335	89	36	25	452	120	23	10	1 090
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	277	28	9	16	254	23	6	18	631
<b>Total</b>	<b>1 700</b>	<b>272</b>	<b>105</b>	<b>134</b>	<b>1 921</b>	<b>257</b>	<b>57</b>	<b>145</b>	<b>4 591</b>
<b>Employees with disabilities</b>	<b>12</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>16</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>45</b>

#### 4.2.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 4.7.1 Signing of performance agreements by SMS members as on 31 May 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 16	1	1	1	100%
Salary Level 15	8	8	7	87.5%
Salary Level 14	29	35	34	97.1%
Salary Level 13	98	80	74	92.5%
<b>Total</b>	<b>136</b>	<b>124</b>	<b>116</b>	<b>93.5%</b>

Table 4.2.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2015

Reasons
Late submission and sick leave.

Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2015

Reasons
Non compliance letters issued to officials.

#### 4.2.8 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 01 April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of total within group	Cost	Average cost per employee
<b>African</b>					
Male	604	2 883	21%	9 011 000.00	14 918.87
Female	923	3 266	28.3%	13 180 000.00	14 279.52
<b>Asian</b>					
Male	35	108	32.4%	701 000.00	20 028.57
Female	42	89	47.2%	601 000.00	14 309.52
<b>Coloured</b>					
Male	30	295	10.2%	623 239.63	20 774.65
Female	86	387	22.2%	1 369 000.00	15 918.60
<b>White</b>					
Male	41	189	21.7%	728 000.00	17 756.10
Female	180	451	39.9%	3 201 000.00	17 783.33
<b>Total</b>	<b>1 941</b>	<b>7 668</b>	<b>25.3%</b>	<b>29 414 239.63</b>	<b>15 154.17</b>

Table 4.2.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 01 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1-2)	0	2	0%	0	0	0
Skilled (level 3-5)	222	1 012	21.9%	1 941 000.00	8 743.24	0.2%
Highly skilled production (level 6-8)	1 532	5 597	27.4%	20 903 000.00	13 644.26	2.03%
Highly skilled supervision (level 9-12)	232	958	24.2%	6 651 000.00	28 668.10	0.65%
<b>Total</b>	<b>1 986</b>	<b>7 569</b>	<b>26.2%</b>	<b>29 495 000.00</b>	<b>14 851.46</b>	<b>2.88%</b>

Table 4.2.8.3 Performance rewards by critical occupation for the period 01 April 2015 to 31 March 2016

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Employment Service Practitioners	42	169	24.8%	745 897.54	17 759.47
Career Counsellors	20	83	24.1%	651 972.25	32 598.61
<b>Total</b>	<b>62</b>	<b>252</b>	<b>24.6%</b>	<b>1 397 869.79</b>	<b>22 546.28</b>

**Note**

- The CORE classification, as prescribed by the DPSA, was used for completion of this table
- Critical occupations are defined as occupations or sub-categories within an occupation:
  - a) In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria
  - b) For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction
  - c) Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature
  - d) In respect of which the Department experienced a high degree of difficulty to recruit or retain the services of employees.

**Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 01 April 2015 to 31 March 2016**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Band A	7	82	8.5%	298 000.00	42 571.43	0.03%
Band B	0	33	0%	0	0	0%
Band C	2	7	28.6%	130 000.00	65 000.00	0.01%
Band D	0	4	0%	0	0	0%
<b>Total</b>	<b>9</b>	<b>126</b>	<b>7.1%</b>	<b>428 000.00</b>	<b>47 555.56</b>	<b>0.04%</b>

**4.2.9 FOREIGN WORKERS**

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

**Table 4.2.9.1 Foreign workers by salary band for the period 01 April 2015 to 31 March 2016**

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0%	0	0%	0	0%
Highly skilled production (Lev. 6-8)	2	66.7%	2	66.7%	0	0%
Highly skilled supervision (Lev. 9-12)	1	33.3%	1	33.3%	0	0%
Contract (level 9-12)	0	0%	0	0%	0	0%
Contract (level 13-16)	0	0%	0	0%	0	0%
<b>Total</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Table 4.2.9.2 Foreign workers by major occupation for the period 01 April 2015 to 31 March 2016**

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	66.7%	2	66.7%	0	0%
Technicians and associated professionals	1	33.3%	1	33.3%	0	0%
<b>Total</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0%</b>



#### 4.2.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

**Table 4.2.10.1 Sick leave for the period 1 January 2015 to 31 December 2015**

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower Skills (Level 1-2)	36	80.6%	3	0%	12	16
Skilled (levels 3-5)	6 613	72.6%	840	12.9%	8	4 370
Highly skilled production (levels 6-8)	38 401	74.0%	4 777	73.4%	8	37 842
Highly skilled supervision (levels 9-12)	5 615	76.4%	804	12.4%	7	11 496
Top and Senior management (levels 13-16)	641	81.9%	87	1.3%	7	2 310
<b>Total</b>	<b>51 306</b>	<b>74.2%</b>	<b>6 511</b>	<b>100%</b>	<b>8</b>	<b>56 034</b>

**Table 4.2.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015**

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	45	100%	1	0.2%	45	21
Skilled (Levels 3-5)	1 193	100%	73	14.9%	16	794
Highly skilled production (Levels 6-8)	9 627	100%	368	75.3%	26	9 976
Highly skilled supervision (Levels 9-12)	930	100%	44	9.0%	21	1 882
Senior management (Levels 13-16)	99	100%	3	0.6%	33	392
<b>Total</b>	<b>11 894</b>	<b>100%</b>	<b>489</b>	<b>100%</b>	<b>24</b>	<b>13 065</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 4.2.10.3 Annual Leave for the period 1 January 2015 to 31 December 2015**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	41	3	14
Skilled (Levels 3-5)	24 437.67	1 035	24
Highly skilled production (Levels 6-8)	147 315.95	5 728	26
Highly skilled supervision (Levels 9-12)	25 613	1 008	25
Senior management (Levels 13-16)	3 011	119	25
<b>Total</b>	<b>200 418.62</b>	<b>7 893</b>	<b>25</b>

Table 4.2.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	43	12	4	31
Highly skilled production (Levels 6-8)	671	115	6	30
Highly skilled supervision (Levels 9-12)	95	14	7	38
Senior management (Levels 13-16)	4	1	4	30
<b>Total</b>	<b>813</b>	<b>142</b>	<b>6</b>	<b>32</b>

The following table summarise payments made to employees as a result of leave that was not taken.

Table 4.2.10.5 Leave pay outs for the period 01 April 2015 to 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	704	20	35 200
Capped leave payouts on termination of service for 2014/15	8 312	369	22 526
Current leave payout on termination of service for 2014/15	1 903	250	7 612
<b>Total</b>	<b>10 919</b>	<b>639</b>	<b>17 088</b>

## 4.2.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 4.2.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
YES	<ul style="list-style-type: none"> <li>By implementing the HIV and AIDS Technical Guidelines and the Code of Good Practice on Managing HIV and AIDS in the World of Work which is meant for external clients as well</li> <li>The Departmental HIV and AIDS, STIs and TB Management policy is being reviewed to effectively respond to the needs of all employees in the Department in line with the NSP 2012-2016 and the Technical Assistance Guidelines</li> <li>An annual HIV, STIs and TB Management operation is developed and implemented</li> <li>Conducting regular HIV and TB awareness.</li> </ul>

Table 4.2.11.2 Details of Health Promotion and HIV/AIDS Programmes.

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr Simon Nkhabelane, Acting Chief Director: Human Resources Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>The Department has an Employee Health and Wellness Sub-Directorates at HQ; UIF and CF which consists of the following:</p> <p>3 x Deputy Director (1- HQ, 1- CF and 1- UIF) 4 x Assistant Directors (2 - HQ, 1- CF and 1 - UIF) 1 x Senior Personnel Practitioner</p> <p>The sub-directorates are supported by Wellness Champions who fulfils the role of peer educators in all provinces.</p> <p>The budget for EHW for 2015/2016 was R 2,369,000.00</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> <li>Rendering psycho-social sessions on individual and or groups to employees experiencing performance impairing programmes</li> <li>A programme on trauma debriefing was introduced, focusing on employees at risk</li> <li>Wellness days were conducted to provide employees with an opportunity to test and know their health status, including HIV</li> <li>Creating awareness by writing articles on health and wellness issues which are published on iDoL and EHWP (Internal Newsletter) and circulated to employees through Exchange Post Master</li> <li>Conducting Health Awareness and Educational Sessions focusing on a wide array of health and wellness issues such as Financial Wellness, Stress Management, Breast Cancer Awareness, TB Awareness, Diet and Nutrition, Hypertension, Drug and Substance Abuse, Eye Care, HIV and AIDS, Leading a Healthy Lifestyles, Men's Health, and STIs awareness</li> <li>Promotion of physical activities through sports and recreation</li> <li>Commemorating health and wellness days in line with the national health calendar of events</li> <li>Rolling-out of HIV counselling and testing campaigns.</li> </ul>

Question	Yes	No	Details, if yes
<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	X		<p>National Employment Equity Consultative Forum which consists of the representatives from all the provincial offices of the Department.</p> <p><b>EE Manager</b> : Ms PM Tengi  <b>Chairperson</b> : Mr S Nkhabane (Act CD- HRM)  <b>Deputy Chairperson</b> : Mr J Mashaba  <b>Director: HRM</b> : Ms P Mthethwa</p> <p><b>Designated groups:</b>  Disabled : Mr JR Mokake  Women : Ms S Esbend  Blacks : Mr PM Masoga</p> <p><b>Non-designated group:</b>  White Male : Mr JJ Schoeman</p> <p><b>Representatives from the Chief Directorates:</b>  Finance : Ms G Mathibe  Communication : Ms S Nkungwana</p> <p><b>Representatives from the Directorates:</b>  SCM and OA : Ms MJ Coetzee  Aux Serv : Mr PA Naake  HRD : Ms NA Qomoyi  Org. Dev. : Mr RR Negota  PM and CS : Ms LC Dlamini  EHWP and GDY : Mr RB Mkansi  ER : Ms T Roos</p> <p><b>Chairperson/Delegate of each LEECF:</b>  Head Office : Ms LS Nawana  Eastern Cape : Ms P Mbongwana  Free State : Mr SZ Segalo  Gauteng : Mr MV Nxumalo  Kwazulu-Natal : Ms K Selepe  Limpopo : Mr GM Mabunda  Mpumalanga : Ms P Dyalvani  Northern Cape : Mr AA Makape  North West : Mr MP Motlhabane  Western Cape : Ms AX Mdladlana  CF : Mr AM Tshivhase  UIF : Ms DI Makgato</p> <p><b>Representatives of Unions:</b>  NEHAWU : Mr J Mashaba  PSA : Ms C Smith</p> <p><b>Secretariat:</b>  Ms L Rudah  Ms L Pitsi  Ms IS Groenewald  Ms G Maritz  Ms VY Mokoena</p>
<p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	X		<p>The following policies were reviewed and approved:</p> <ul style="list-style-type: none"> <li>• Medical Surveillance Policy</li> <li>• Management of Substance Abuse Policy</li> <li>• Sports and Recreation Policy</li> <li>• Disability Management Policy</li> <li>• Sexual Harassment Policy</li> </ul>

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		<ul style="list-style-type: none"> <li>The approved HIV, STIs and TB Management policy which is in line with the revised Code of Good Practice on Managing HIV and AIDS in the World of Work, and the NSP 2012-2016 provides protection of HIV positive employees against stigma and discrimination</li> <li>Conducting advocacy sessions to advocate for the rights of people with HIV and for reasonable accommodation and support for people infected and affected by HIV</li> <li>Conducting regular HCT programme to de-stigmatise HIV testing.</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		<ul style="list-style-type: none"> <li>The Employee Health and Wellness Section implemented the HCT programme through awareness raising on voluntary counselling and testing and also conducted on-site HCT through the use of GEMS and other service providers.</li> </ul>
8. Has the department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		<p>Monitoring and Evaluation is done through the Local Employment Consultative Forum which feeds to the National Employment Equity Consultative Forum, and the HR Programme Management Committee; Human Resource Management Forum where quarterly reports are submitted to evaluate performance against set targets</p> <p>The Department also utilises the System Monitoring Tool which was developed by the DPSA to enable departments to check their readiness to implement EHWP</p> <p>Monitoring of implementation is also done through MPAT process.</p>

#### 4.2.12 LABOUR RELATIONS

Table 4.2.12.1 Collective agreements for the period 01 April 2015 to 31 March 2016

Total number of collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 4.2.12.2 Misconduct and disciplinary hearings finalised for the period 01 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	1.89%
Verbal warning	6	3.79%
Written warning	44	27.84%
Final written warning	29	18.35%
Suspended without pay	35	22.15%
Fine	0	0%
Demotion	1	0.63%
Dismissal	17	10.80%
Not guilty	9	5.69%
Case withdrawn	14	8.86%
<b>Total</b>	<b>158</b>	<b>100%</b>

Total number of Disciplinary hearings finalised	86
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Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2015 to 31 March 2016

Type of misconduct	Number	% of total
Correctional counselling	9	9.78%
Abuse of power	0	0%
Alcohol abuse	1	1.09%
Assault	3	3.26%
Bribery	3	3.26%
Dereliction of duty	8	8.69%
Email Abuse	1	1.09%
Failure to declare IES monies	1	1.09%
Fraud	16	17.39%
Fruitless expenditure	2	2.17%
Insubordination	14	15.22%
Misrepresentation	5	5.43%
Negligence	15	16.30%
Sexual harassment	2	2.17%
State vehicle misuse	12	13.06%
<b>Total</b>	<b>92</b>	<b>100%</b>

Table 4.2.12.4 Grievances lodged for the period 01 April 2015 to 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	167	59%
Number of grievances not resolved	115	41%
<b>Total number of grievances lodged</b>	<b>282</b>	<b>100%</b>

Table 4.2.12.5 Disputes lodged with Councils for the period 01 April 2015 to 31 March 2016

Disputes	Number	% of Total
Number of disputes upheld	5	28%
Number of disputes dismissed	13	72%
<b>Total number of disputes lodged</b>	<b>198</b>	<b>100%</b>

**Note:** Please note that there is no provision to include the pending cases in the table above.

Table 4.2.12.6 Strike actions for the period 01 April 2015 to 31 March 2016

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

**Table 4.2.12.7 Precautionary suspensions for the period 01 April 2015 to 31 March 2016**

Number of people suspended	4
Number of people who's suspension exceeded 30 days	4
Average number of days suspended	200
Cost of suspension	R 1 106 000

#### 4.2.13 SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

**Table 4.2.13.1 Training needs identified for the period 01 April 2015 to 31 March 2016**

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	46	0	51	0	51
	Male	66	0	78	0	78
Professionals	Female	165	0	364	0	364
	Male	196	0	160	0	160
Technicians and associate professionals	Female	1 647	0	1 506	0	1 506
	Male	1 361	0	1 334	0	1 334
Clerks	Female	2 266	0	1 815	0	1 815
	Male	1 816	0	485	0	485
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	136	0	190	0	190
	Male	116	0	203	0	203
Sub-total	Female	4 260	0	3 926	0	3 926
	Male	3 555	0	2 260	0	2 260
<b>Total</b>		<b>7 815</b>	<b>0</b>	<b>6 186</b>	<b>0</b>	<b>6 186</b>

Table 4.2.13.2 Training provided for the period 01 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	46	0	17	0	17
	Male	66	0	26	0	26
Professionals	Female	165	0	503	0	503
	Male	196	0	228	0	228
Technicians and associate professionals	Female	1 647	0	954	0	954
	Male	1 361	0	1 142	0	1 142
Clerks	Female	2 266	0	605	0	605
	Male	1 816	0	485	0	485
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	136	0	301	0	301
	Male	116	0	330	0	330
Sub Total	Female	4 260	0	2 380	0	2 380
	Male	3 555	0	2 211	0	2 211
<b>Total</b>		<b>7 815</b>	<b>0</b>	<b>4 591</b>	<b>0</b>	<b>4 591</b>

#### 4.2.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 4.2.14.1 Injury on duty for the period 01 April 2015 to 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	22	88%
Temporary total disablement	2	8%
Permanent disablement	0	0%
Fatal	1	4%
<b>Total</b>	<b>25</b>	<b>100%</b>



#### 4.2.15 UTILISATION OF CONSULTANTS

The following tables relate information on the utilisation of consultants in the department.

In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides, in terms of a specific contract, on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice
- The drafting of proposals for the execution of specific tasks
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 01 April 2015 to 31 March 2016**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Health risk management (Alexander Forbes)	1	24 Months	R 800 000.00
Request of vacancy stats in SA (PNET)	1	24 months	R 410 400.00
Ernest and Young (Resource adequacy)	1	14 Months	R 3 929 740.00
University of Cape town (Study on minimum wage)	1	12 months	R 1 295 484.10

**Table 4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2015 to 31 March 2016**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Health risk management(Alexander Forbes)	N/A	N/A	N/A
Request of vacancy stats in SA (PNET)	N/A	N/A	N/A
Ernest and Young (Resource adequacy)	N/A	N/A	N/A
University of Cape town(Study on minimum wage)	N/A	N/A	N/A

**Table 4.2.15.3 Report on consultant appointments using donor funds for the period 01 April 2015 to 31 March 2016**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Nil	Nil	Nil	Nil

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Nil	Nil	Nil	Nil

**Table 4.2.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2015 to 31 March 2016**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Nil	Nil	Nil	Nil

#### 4.2.16. SEVERANCE PACKAGES

Table 4.2.16.1 Granting of employee initiated severance packages for the period 01 April 2015 to 31 March 2016

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	Nil	Nil	Nil	Nil
Skilled Levels 3-5)	Nil	Nil	Nil	Nil
Highly skilled production (Levels 6-8)	Nil	Nil	Nil	Nil
Highly skilled supervision(Levels 9-12)	Nil	Nil	Nil	Nil
Senior management (Levels 13-16)	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil





# PART E

## FINANCIAL INFORMATION

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## 5.1 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 28: DEPARTMENT OF LABOUR

### REPORT ON THE FINANCIAL STATEMENTS

#### INTRODUCTION

- 1 I have audited the financial statements of the Department of Labour set out on pages 114 to 198, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Labour as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the PFMA.

#### EMPHASIS OF MATTER

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### RESTATEMENT OF CORRESPONDING FIGURES

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 31 March 2016 in the financial statements of the Department of Labour at, and for the year ended, 31 March 2015.

## ADDITIONAL MATTER

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## UNAUDITED SUPPLEMENTARY INFORMATION

10. The supplementary information set out on pages 199 to 209 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion thereon.

## PREDETERMINED OBJECTIVES

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:

- Programme 2: Inspection and enforcement services on pages 32 to 42
- Programme 3: Public employment services on pages 43 to 54
- Programme 4: Labour policy and industrial relations on pages 55 to 60.

13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

15. The material findings in respect of the selected programmes are as follows:

## PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

### USEFULNESS OF REPORTED PERFORMANCE INFORMATION

16. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.

17. The FMPPI requires that performance targets should be specific in clearly identifying the nature and required level of performance and measurable. A total of 44% of significantly important targets were not specific.

18. Performance targets should be measurable, as required by the FMPPI. We could not measure the required performance for 44% of significantly important targets.

19. Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 44% of significantly important indicators were not well defined.

20. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 38% of the significantly important indicators were not verifiable.

21. These deviations were a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.

#### RELIABILITY OF REPORTED PERFORMANCE INFORMATION

21. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of my work due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information.

#### PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

##### USEFULNESS OF REPORTED PERFORMANCE INFORMATION

22. I did not raise any material findings on the usefulness of the reported performance information.

##### RELIABILITY OF REPORTED PERFORMANCE INFORMATION

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 22% indicators were not reliable when compared to the evidence provided.

#### PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

##### USEFULNESS OF REPORTED PERFORMANCE INFORMATION

24. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.

25. Treasury regulation 5.2.4 requires the annual performance plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 23% were not consistent with those in the approved annual performance plan.

26. The FMPPI requires that performance targets should be specific in clearly identifying the nature and required level of performance and measurable. A total of 23% targets were not specific

27. Performance targets should be measurable, as required by the FMPPI. We could not measure the required performance for 31% of significantly important targets

28. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 29% of the indicators were not well defined

29. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 29% of the indicators were not verifiable.

##### RELIABILITY OF REPORTED PERFORMANCE INFORMATION

30. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 15% of the indicators were not reliable when compared to the evidence provided. These were materially misstated.

### ADDITIONAL MATTER

31. I draw attention to the following matters.

### ACHIEVEMENT OF PLANNED TARGETS

32. Refer to the annual performance report on pages 26 to 60 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 16 to 30 of this report.

### ADJUSTMENT OF MATERIAL MISSTATEMENTS

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Public Employment Services and Labour Policy and Industrial Relations. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the conclusions paragraphs.

### COMPLIANCE WITH LEGISLATION

34. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### FINANCIAL STATEMENTS

35. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA.

36. Material misstatements of accruals, commitments, operating lease commitments, finance leases and expenditure identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

### EXPENDITURE MANAGEMENT

37. The accounting officer did not take effective and appropriate steps to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA.

### ASSET AND LIABILITY MANAGEMENT

38. The accounting officer did not take effective and appropriate steps to prevent fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA.

The accounting officer did not ensure that amounts included in clearing/suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis as required by the treasury regulation 17.1.2(b).

### INTERNAL CONTROL

39. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.



## LEADERSHIP

40. The accounting officer did not have sufficient monitoring controls to ensure proper implementation of the overall process of monitoring, predetermined objectives, compliance with laws and regulations and related internal controls, resulting in numerous findings on predetermined objectives, compliance with laws and regulation and internal control.
41. The accounting officer did not exercise effective oversight of information technology (IT) security management controls (including network controls) and the development of business continuity plan and disaster recovery plan.
42. The accounting officer did not have documented policies and procedures to adequately guide the operations of the department, resulting in numerous instances of non-compliance with the PFMA, as detailed under the findings on compliance with legislation section of this report. In addition, management did not take adequate actions to address the internal control deficiencies identified during our audit.

## FINANCIAL AND PERFORMANCE MANAGEMENT

43. The accounting officer did not prepare regular, accurate and complete financial statements that are supported by reliable evidence and aligned to the financial reporting framework . This resulted in misstatements in the annual financial statements having to be corrected, and material misstatements in the annual performance report being identified and corrected.
44. The department does not have appropriate record management systems to ensure that complete, relevant and accurate information is accessible and available to support performance information reporting and reasons for all variances.
45. I identified the following shortcomings in human resource management relating to predetermined objectives:
46. The Department did not hold personnel accountable for shortcomings identified during the internal and external audit processes

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### Auditor-General

Pretoria  
29 July 2016



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 5.2 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

## 5.2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

APPROPRIATION PER PROGRAMME									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme:</b>									
1. Administration	815 111	-	(1 064)	814 047	745 637	68 410	91.6%	764 919	675 957
2. Inspection and Enforcement Services	471 830	-	1 064	472 894	472 894	-	100.0%	432 405	430 878
3. Public Employment Services	497 297	-	-	497 297	485 099	12 198	97.5%	481 533	465 264
4. Labour Policy and Industrial Relations	919 996	-	-	919 996	908 365	11 631	98.7%	867 435	847 837
<b>Subtotal</b>	<b>2 704 234</b>	<b>-</b>	<b>-</b>	<b>2 704 234</b>	<b>2 611 995</b>	<b>92 239</b>	<b>96.6%</b>	<b>2 546 292</b>	<b>2 419 936</b>
<b>TOTAL (brought forward)</b>									
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b> Departmental receipts				<b>10 056</b>				<b>11 155</b>	
Actual amounts per statement of financial performance (total revenue)				<b>2 714 290</b>				<b>2 557 447</b>	
Actual amounts per statement of financial performance (total expenditure)					<b>2 611 995</b>				<b>2 419 936</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current Payments</b>	<b>1 642 777</b>	<b>(36 441)</b>	-	<b>1 606 336</b>	<b>1 533 016</b>	<b>73 320</b>	<b>95.4%</b>	<b>1 571 332</b>	<b>1 458 326</b>
<b>Compensation of employees</b>	1 052 893	(13 474)	-	1 039 419	1 025 615	13 804	98.7%	1 007 740	997 751
Salaries and wages	889 167	(7 918)	-	881 249	874 919	6 330	99.3%	864 253	858 947
Social contributions	163 726	(5 556)	-	158 170	150 696	7 474	95.3%	143 487	138 804
<b>Goods and services</b>	<b>589 884</b>	<b>(22 967)</b>	-	<b>566 917</b>	<b>507 401</b>	<b>59 516</b>	<b>89.5%</b>	<b>563 592</b>	<b>460 575</b>
Administrative fees	4 700	644	-	5 344	4 958	386	92.8%	6 175	5 451
Advertising	17 306	633	-	17 939	17 431	508	97.2%	12 019	6 737
Minor assets	3 917	(469)	-	3 448	2 869	579	83.2%	5 875	4 423
Audit costs: External	19 422	(217)	-	19 205	16 511	2 694	86.0%	15 941	15 320
Bursaries: Employees	2 559	(357)	-	2 202	1 906	296	86.6%	2 651	2 299
Catering: Departmental activities	3 845	801	-	4 646	4 532	114	97.5%	4 860	3 747
Communication	53 025	(21 427)	-	31 598	31 232	366	98.8%	38 319	35 234
Computer services	95 421	(4 541)	-	90 880	66 868	24 012	73.6%	70 695	69 702
Consultants: Business and advisory services	18 681	(7 804)	-	10 877	7 178	3 699	66.0%	12 201	6 313
Laboratory services	25	(25)	-	-	-	-	-	-	-
Legal services	3 189	814	-	4 003	3 085	918	77.1%	2 334	2 270
Contractors	3 531	3 679	-	7 210	7 091	119	98.3%	8 572	8 185
Agency and support / outsourced services	3 863	(555)	-	3 308	3 111	197	94.0%	3 626	3 044
Entertainment	377	(156)	-	221	189	32	85.5%	408	139
Fleet services	19 562	1 449	-	21 011	19 795	1 216	94.2%	19 865	19 359
Inventory: Fuel, oil and gas	513	(513)	-	-	-	-	-	245	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	47	-
Inventory: Materials and supplies	433	(433)	-	-	-	-	-	154	-
Inventory: Medical supplies	61	(30)	-	31	-	31	-	10	-
Inventory: Other supplies	1 973	(1 963)	-	10	-	10	-	78	-
Consumable supplies	963	1 658	-	2 621	2 545	76	97.1%	3 324	3 192
Consumable: Stationery, printing and office supplies	20 318	(86)	-	20 232	19 673	559	97.2%	23 309	18 890
Operating leases	144 814	1 331	-	146 145	139 488	6 657	95.4%	141 678	104 877
Property payments	61 761	5 472	-	67 233	57 055	10 178	84.9%	71 813	46 762

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

APPROPRIATION PER ECONOMIC CLASSIFICATION									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	1 459	(1 319)	-	140	140	-	100.0%	392	390
Travel and subsistence	74 672	10 016	-	84 688	82 429	2 259	97.3%	85 003	77 171
Training and development	12 949	(4 967)	-	7 982	6 636	1 346	83.1%	11 158	6 672
Operating payments	10 334	(1 729)	-	8 605	6 489	2 116	75.4%	12 423	11 449
Venues and facilities	9 922	(3 688)	-	6 234	5 087	1 147	81.6%	9 570	8 106
Rental and hiring	289	815	-	1 104	1 103	1	99.9%	847	843
<b>Transfers and subsidies</b>	<b>1 009 217</b>	<b>5 009</b>	<b>-</b>	<b>1 014 226</b>	<b>1 010 418</b>	<b>3 808</b>	<b>99.6%</b>	<b>936 482</b>	<b>924 613</b>
Provinces and municipalities	520	102	-	622	550	72	88.4%	473	473
Provinces	-	-	-	-	-	-	-	2	1
Provincial Revenue Funds	-	-	-	-	-	-	-	2	1
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	520	102	-	622	550	72	88.4%	471	472
Municipal bank accounts	520	102	-	622	550	72	88.4%	471	472
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	824 195	11	-	824 206	820 912	3 294	99.6%	794 340	785 813
Social security funds	18 074	-	-	18 074	14 780	3 294	81.8%	32 278	23 752
Departmental agencies and accounts	806 121	11	-	806 132	806 132	-	100.0%	762 062	762 061
Foreign governments and international organisations	19 300	1 612	-	20 912	20 912	-	100.0%	17 441	17 019
Non-profit institutions	164 487	-	-	164 487	164 045	442	99.7%	119 502	116 584
Households	715	3 284	-	3 999	3 999	-	100.0%	4 726	4 724
Social benefits	683	2 628	-	3 311	3 311	-	100.0%	4 663	4 695
Other transfers to households	32	656	-	688	688	-	100.0%	63	29
<b>Payments for capital assets</b>	<b>52 240</b>	<b>30 972</b>	<b>-</b>	<b>83 212</b>	<b>68 101</b>	<b>15 111</b>	<b>81.8%</b>	<b>37 583</b>	<b>36 102</b>
Buildings and other fixed structures	2 000	-	-	2 000	511	1 489	25.6%	1 884	1 867
Buildings	2 000	-	-	2 000	511	1 489	25.6%	1 884	1 867
Machinery and equipment	50 240	30 972	-	81 212	67 590	13 622	83.2%	35 699	34 235
Transport equipment	43 261	(3 270)	(1 064)	38 927	26 010	12 917	66.8%	18 231	17 681
Other machinery and equipment	6 979	34 242	1 064	42 285	41 580	705	98.3%	17 468	16 554
<b>Payments for financial assets</b>	<b>-</b>	<b>460</b>	<b>-</b>	<b>460</b>	<b>460</b>	<b>-</b>	<b>100.0%</b>	<b>895</b>	<b>895</b>
<b>Total</b>	<b>2 704 234</b>	<b>-</b>	<b>-</b>	<b>2 704 234</b>	<b>2 611 995</b>	<b>92 239</b>	<b>96.6%</b>	<b>2 546 292</b>	<b>2 419 936</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Ministry	28 092	4 616	-	32 708	32 649	59	99.8%	26 746	24 340
2. Management	404 308	(1 919)	-	402 389	375 380	27 009	93.3%	388 360	373 838
3. Corporate Services	67 395	(89)	-	67 306	63 366	3 940	94.1%	63 604	57 650
4. Office of the Chief Financial Officer	139 925	(3 085)	(1 064)	135 776	113 160	22 616	83.3%	105 174	97 453
5. Office Accommodation	175 391	477	-	175 868	161 082	14 786	91.6%	181 035	122 676
<b>Total for sub programmes</b>	<b>815 111</b>	<b>-</b>	<b>(1 064)</b>	<b>814 047</b>	<b>745 637</b>	<b>68 410</b>	<b>91.6%</b>	<b>764 919</b>	<b>675 957</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>762 853</b>	<b>(2 141)</b>	-	<b>760 712</b>	<b>707 328</b>	<b>53 384</b>	<b>93.0%</b>	<b>723 553</b>	<b>636 026</b>
Compensation of employees	335 165	(3 937)	-	331 228	325 922	5 306	98.4%	314 356	309 546
Salaries and wages	284 480	(3 474)	-	281 006	278 062	2 944	99.0%	367 730	266 921
Social contributions	50 685	(463)	-	50 222	47 860	2 362	95.3%	46 626	42 625
Goods and services	427 688	1 796	-	429 484	381 406	48 078	88.8%	409 197	326 480
Administrative fees	2 699	235	-	2 934	2 812	122	95.8%	3 399	2 838
Advertising	11 085	(46)	-	11 039	11 001	38	99.7%	5 368	4 233
Minor assets	1 428	232	-	1 660	1 586	74	95.5%	3 745	2 860
Audit costs: External	19 422	(217)	-	19 205	16 511	2 694	86.0%	15 941	15 320
Bursaries: Employees	1 839	137	-	1 976	1 680	296	85.0%	2 120	1 821
Catering: Departmental activities	1 877	28	-	1 905	1 883	22	98.8%	2 061	1 637
Communication	19 759	(2 630)	-	17 129	16 980	149	99.1%	17 081	14 454
Computer services	94 042	(4 410)	-	89 632	65 885	23 747	73.5%	69 496	69 274
Consultants: Business and advisory services	11 078	(6 154)	-	4 924	3 845	1 079	78.1%	7 067	2 807
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	2 244	780	-	3 024	3 024	-	100.0%	2 270	2 270
Contractors	1 650	2 816	-	4 466	4 347	119	97.3%	5 490	5 104
Agency and support / outsourced services	3 486	(399)	-	3 087	2 897	190	93.8%	3 290	2 758
Entertainment	177	(64)	-	113	111	2	98.2%	299	94
Fleet services	6 813	3 335	-	10 148	9 084	1 064	89.5%	7 680	7 669
Inventory: Fuel, oil and gas	3	(3)	-	-	-	-	-	15	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	70	(70)	-	-	-	-	-	146	-
Inventory: Medical supplies	61	(30)	-	31	-	31	-	10	-
Inventory: Other supplies	1 592	(1 582)	-	10	-	10	-	58	-
Consumable supplies	43	1 894	-	1 937	1 915	22	98.9%	2 540	2 504
Consumable: Stationery, printing and office supplies	8 375	2 466	-	10 841	10 841	-	100.0%	12 010	9 188
Operating leases	140 640	3 456	-	144 096	137 524	6 572	95.4%	138 624	103 086
Property payments	53 441	1 239	-	54 680	44 556	10 124	81.5%	61 258	36 922

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	-	131	-	131	131	-	100.0%	48	48
Travel and subsistence	32 328	4 736	-	37 064	37 061	3	100.0%	33 944	29 361
Training and development	6 212	(2 999)	-	3 213	3 012	201	93.7%	6 704	4 229
Operating payments	5 200	(1 230)	-	3 970	2 748	1 222	69.2%	4 520	4 311
Venues and facilities	2 124	(187)	-	1 937	1 641	296	84.7%	3 569	3 251
Rental and hiring	-	332	-	332	331	1	99.7%	444	441
<b>Transfers and subsidies</b>	<b>708</b>	<b>1 681</b>	<b>-</b>	<b>2 389</b>	<b>2 318</b>	<b>71</b>	<b>97.0%</b>	<b>5 830</b>	<b>5 830</b>
Provinces and municipalities	500	93	-	593	522	71	88.0%	450	451
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	500	93	-	593	522	71	88.0%	450	451
Municipal bank accounts	500	93	-	593	522	71	88.0%	450	451
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	11	-	11	11	-	100.0%	4 399	4 399
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	11	-	11	11	-	100.0%	4 399	4 399
Foreign governments and international organisations	-	3	-	3	3	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	50	50
Households	208	1 574	-	1 782	1 782	-	100.0%	931	930
Social benefits	208	1 046	-	1 254	1 254	-	100.0%	881	913
Other transfers to households	-	528	-	528	528	-	100.0%	50	17
<b>Payments for capital assets</b>	<b>51 550</b>	<b>-</b>	<b>(1 064)</b>	<b>50 486</b>	<b>35 531</b>	<b>14 955</b>	<b>70.4%</b>	<b>34 641</b>	<b>33 206</b>
Buildings and other fixed structures	2 000	-	-	2 000	511	1 489	25.6%	1 884	1 867
Buildings	2 000	-	-	2 000	511	1 489	25.6%	1 884	1 867
Machinery and equipment	49 550	-	(1 064)	48 486	35 020	13 466	72.2%	32 757	31 339
Transport equipment	43 261	(3 270)	(1 064)	38 927	26 010	12 917	66.8%	18 231	17 681
Other machinery and equipment	6 289	3 270	-	9 559	9 010	549	94.3%	14 526	13 658
<b>Payments for financial assets</b>	<b>-</b>	<b>460</b>	<b>-</b>	<b>460</b>	<b>460</b>	<b>-</b>	<b>100.0%</b>	<b>895</b>	<b>895</b>
<b>Total</b>	<b>815 111</b>	<b>-</b>	<b>(1 064)</b>	<b>814 047</b>	<b>745 637</b>	<b>68 410</b>	<b>91.6%</b>	<b>764 919</b>	<b>675 957</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

1.1 MINISTRY									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>27 848</b>	<b>4 613</b>	-	<b>32 461</b>	<b>32 461</b>	-	<b>100.0%</b>	<b>26 672</b>	<b>24 308</b>
Compensation of employees	16 429	(2 363)	-	14 066	14 066	-	100.0%	12 486	10 474
Goods and services	11 419	6 976	-	18 395	18 395	-	100.0%	14 186	13 834
<b>Transfers and subsidies</b>	-	<b>3</b>	-	<b>3</b>	<b>3</b>	-	<b>100.0%</b>	<b>32</b>	<b>32</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	3	-	3	3	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	32	32
<b>Payments for capital assets</b>	<b>244</b>	-	-	<b>244</b>	<b>185</b>	<b>59</b>	<b>75.8%</b>	<b>42</b>	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	244	-	-	244	185	59	75.8%	42	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28 092</b>	<b>4 616</b>	-	<b>32 708</b>	<b>32 649</b>	<b>59</b>	<b>99.8%</b>	<b>26 746</b>	<b>24 340</b>



## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

1.2 MANAGEMENT									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>396 700</b>	<b>(5 401)</b>	-	<b>391 299</b>	<b>365 779</b>	<b>25 520</b>	<b>93.5%</b>	<b>373 317</b>	<b>359 363</b>
Compensation of employees	222 270	(683)	-	221 587	219 308	2 279	99.0%	213 205	212 726
Goods and services	174 430	(4 718)	-	169 712	146 471	23 241	86.3%	160 112	146 637
<b>Transfers and subsidies</b>	<b>608</b>	<b>787</b>	-	<b>1 395</b>	<b>1 395</b>	-	<b>100.0%</b>	<b>1 386</b>	<b>1 386</b>
Provinces and municipalities	400	93	-	493	493	-	100.0%	407	408
Departmental agencies and accounts	-	11	-	11	11	-	100.0%	123	123
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	50	50
Households	208	683	-	891	891	-	100.0%	806	805
<b>Payments for capital assets</b>	<b>7 000</b>	<b>2 695</b>	-	<b>9 695</b>	<b>8 206</b>	<b>1 489</b>	<b>84.6%</b>	<b>13 657</b>	<b>13 089</b>
Buildings and other fixed structures	2 000	(477)	-	1 523	34	1 489	2.2%	17	-
Machinery and equipment	5 000	3 172	-	8 172	8 172	-	100.0%	13 640	13 089
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>404 308</b>	<b>(1 919)</b>	-	<b>402 389</b>	<b>375 380</b>	<b>27 009</b>	<b>93.3%</b>	<b>388 360</b>	<b>373 838</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

1.3 CORPORATE SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>66 975</b>	<b>(377)</b>	-	<b>66 598</b>	<b>62 658</b>	<b>3 940</b>	<b>94.1%</b>	<b>58 789</b>	<b>53 252</b>
Compensation of employees	41 680	(377)	-	41 303	38 276	3 027	92.7%	36 896	36 896
Goods and services	25 295	-	-	25 295	24 382	913	96.4%	21 893	16 356
<b>Transfers and subsidies</b>	-	<b>190</b>	-	<b>190</b>	<b>190</b>	-	<b>100.0%</b>	<b>4 318</b>	<b>4 318</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	4 276	4 276
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	190	-	190	190	-	100.0%	42	42
<b>Payments for capital assets</b>	<b>420</b>	<b>98</b>	-	<b>518</b>	<b>518</b>	-	<b>100.0%</b>	<b>497</b>	<b>80</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	420	98	-	518	518	-	100.0%	497	80
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67 395</b>	<b>(89)</b>	-	<b>67 306</b>	<b>63 366</b>	<b>3 940</b>	<b>94.1%</b>	<b>63 604</b>	<b>57 650</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

1.4 OFFICE OF THE CHIEF FINANCIAL OFFICER									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>95 939</b>	<b>(976)</b>	<b>-</b>	<b>94 963</b>	<b>85 825</b>	<b>9 138</b>	<b>90.4%</b>	<b>85 607</b>	<b>78 294</b>
Compensation of employees	54 786	(514)	-	54 272	54 272	-	100.0%	51 769	49 450
Goods and services	41 153	(462)	-	40 691	31 553	9 138	77.5%	33 838	28 844
<b>Transfers and subsidies</b>	<b>100</b>	<b>701</b>	<b>-</b>	<b>801</b>	<b>730</b>	<b>71</b>	<b>91.1%</b>	<b>94</b>	<b>94</b>
Provinces and municipalities	100	-	-	100	29	71	29.0%	43	43
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	701	-	701	701	-	100.0%	51	51
<b>Payments for capital assets</b>	<b>43 886</b>	<b>(3 270)</b>	<b>(1 064)</b>	<b>39 552</b>	<b>26 145</b>	<b>13 407</b>	<b>66.1%</b>	<b>18 578</b>	<b>18 170</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	43 886	(3 270)	(1 064)	39 552	26 145	13 407	66.1%	18 578	18 170
<b>Payments for financial assets</b>	<b>-</b>	<b>460</b>	<b>-</b>	<b>460</b>	<b>460</b>	<b>-</b>	<b>100.0%</b>	<b>895</b>	<b>895</b>
<b>Total</b>	<b>139 925</b>	<b>(3 085)</b>	<b>(1 064)</b>	<b>135 776</b>	<b>113 160</b>	<b>22 616</b>	<b>83.3%</b>	<b>105 174</b>	<b>97 453</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

1.5 OFFICE ACCOMMODATION									
	2015/16						2014/15		
ECONOMIC CLASSIFICATION	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>175 391</b>	-	-	<b>175 391</b>	<b>160 605</b>	<b>14 786</b>	<b>91.6%</b>	<b>179 168</b>	<b>120 809</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	175 391	-	-	175 391	160 605	14 786	91.6%	179 168	120 809
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	<b>477</b>	-	<b>477</b>	<b>477</b>	-	<b>100.0%</b>	<b>1 867</b>	<b>1 867</b>
Buildings and other fixed structures	-	477	-	477	477	-	100.0%	1 867	1 867
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>175 391</b>	<b>477</b>	-	<b>175 868</b>	<b>161 082</b>	<b>14 786</b>	<b>91.6%</b>	<b>181 035</b>	<b>122 676</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management and Support Services: Inspection and Enforcement Services	4 487	131	-	4 618	4 618	-	100.0%	4 539	4 545
2. Occupational Health and Safety	24 710	3 564	1 064	29 338	29 338	-	100.0%	22 286	22 196
3. Registration: Inspection and Enforcement Services	54 917	(2 330)	-	52 587	52 587	-	100.0%	51 377	51 377
4. Compliance, Monitoring and Enforcement	373 277	(243)	-	373 034	373 034	-	100.0%	340 171	340 162
5. Training of Staff: Inspection and Enforcement Services	5 619	1 061	-	6 680	6 680	-	100.0%	6 127	5 484
6. Statutory and Advocacy Services	8 820	(2 183)	-	6 637	6 637	-	100.0%	7 905	7 114
<b>Total for sub programmes</b>	<b>471 830</b>	<b>-</b>	<b>1 064</b>	<b>472 894</b>	<b>472 894</b>	<b>-</b>	<b>100.0%</b>	<b>432 405</b>	<b>430 878</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>471 341</b>	<b>(31 570)</b>	-	<b>439 771</b>	<b>439 771</b>	-	<b>100.0%</b>	<b>428 372</b>	<b>426 844</b>
Compensation of employees	384 458	(8 592)	-	375 866	375 866	-	100.0%	350 098	350 098
Salaries and wages	326 011	(8 431)	-	317 580	317 580	-	100.0%	298 387	298 388
Social contributions	58 447	(161)	-	58 286	58 286	-	100.0%	51 711	51 710
Goods and services	86 883	(22 978)	-	63 905	63 905	-	100.0%	78 274	76 746
Administrative fees	835	467	-	1 302	1 302	-	100.0%	1 634	1 634
Advertising	152	(87)	-	65	65	-	100.0%	224	47
Minor assets	1 287	(743)	-	544	544	-	100.0%	910	910
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	720	(573)	-	147	147	-	100.0%	403	390
Catering: Departmental activities	712	309	-	1 021	1 021	-	100.0%	1 215	1 054
Communication	27 798	(20 096)	-	7 702	7 702	-	100.0%	15 052	15 066
Computer services	1	1	-	2	2	-	100.0%	10	10
Consultants: Business and advisory services	396	(229)	-	167	167	-	100.0%	527	527
Laboratory services	25	(25)	-	-	-	-	-	-	-
Legal services	25	36	-	61	61	-	100.0%	-	-
Contractors	806	(105)	-	701	701	-	100.0%	670	669
Agency and support / outsourced services	370	(258)	-	112	112	-	100.0%	256	256
Entertainment	91	(75)	-	16	16	-	100.0%	36	8
Fleet services	9 537	(2 064)	-	7 473	7 473	-	100.0%	8 711	8 702
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	741	(255)	-	486	486	-	100.0%	577	535
Consumable: Stationery, printing and office supplies	5 323	(947)	-	4 376	4 376	-	100.0%	3 645	3 567
Operating leases	419	(65)	-	354	354	-	100.0%	526	526
Property payments	7 063	597	-	7 660	7 660	-	100.0%	6 267	6 267
Transport provided: Departmental activity	9	-	-	9	9	-	100.0%	128	127

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	20 057	5 327	-	25 384	25 384	-	100.0%	28 870	28 768
Training and development	3 993	(1 716)	-	2 277	2 277	-	100.0%	1 524	881
Operating payments	2 868	(625)	-	2 243	2 243	-	100.0%	4 959	4 959
Venues and facilities	3 366	(2 035)	-	1 331	1 331	-	100.0%	1 976	1 689
Rental and hiring	289	183	-	472	472	-	100.0%	154	154
<b>Transfers and subsidies</b>	<b>446</b>	<b>770</b>	<b>-</b>	<b>1 216</b>	<b>1 216</b>	<b>-</b>	<b>100.0%</b>	<b>1 877</b>	<b>1 878</b>
Provinces and municipalities	18	5	-	23	23	-	100.0%	21	22
Provinces	-	-	-	-	-	-	-	2	1
Provincial Revenue Funds	-	-	-	-	-	-	-	2	1
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	18	5	-	23	23	-	100.0%	19	21
Municipal bank accounts	18	5	-	23	23	-	100.0%	19	21
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	428	765	-	1 193	1 193	-	100.0%	1 856	1 856
Social benefits	428	654	-	1 082	1 082	-	100.0%	1 852	1 852
Other transfers to households	-	111	-	111	111	-	100.0%	4	4
<b>Payments for capital assets</b>	<b>43</b>	<b>30 800</b>	<b>1 064</b>	<b>31 907</b>	<b>31 907</b>	<b>-</b>	<b>100.0%</b>	<b>2 156</b>	<b>2 156</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	43	30 800	1 064	31 907	31 907	-	100.0%	2 156	2 156
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	43	30 800	1 064	31 907	31 907	-	100.0%	2 156	2 156
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>471 830</b>	<b>-</b>	<b>1 064</b>	<b>472 894</b>	<b>472 894</b>	<b>-</b>	<b>100.0%</b>	<b>432 405</b>	<b>430 878</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.1 MANAGEMENT AND SUPPORT SERVICES: INSPECTION AND ENFORCEMENT SERVICES									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 487</b>	<b>115</b>	-	<b>4 602</b>	<b>4 602</b>	-	<b>100.0%</b>	<b>4 539</b>	<b>4 545</b>
Compensation of employees	2 954	(39)	-	2 915	2 915	-	100.0%	2 674	2 675
Goods and services	1 533	154	-	1 687	1 687	-	100.0%	1 865	1 870
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	<b>16</b>	-	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	16	-	16	16	-	100.0%	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 487</b>	<b>131</b>	-	<b>4 618</b>	<b>4 618</b>	-	<b>100.0%</b>	<b>4 539</b>	<b>4 545</b>



## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.2 OCCUPATIONAL HEALTH AND SAFETY									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>24 710</b>	<b>(1 944)</b>	<b>-</b>	<b>22 766</b>	<b>22 766</b>	<b>-</b>	<b>100.0%</b>	<b>20 473</b>	<b>20 383</b>
Compensation of employees	19 317	(723)	-	18 594	18 594	-	100.0%	15 341	15 341
Goods and services	5 393	(1 221)	-	4 172	4 172	-	100.0%	5 132	5 042
<b>Transfers and subsidies</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>100.0%</b>	<b>10</b>	<b>10</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	10	-	10	10	-	100.0%	10	10
<b>Payments for capital assets</b>	<b>-</b>	<b>5 498</b>	<b>1 064</b>	<b>6 562</b>	<b>6 562</b>	<b>-</b>	<b>100.0%</b>	<b>1 803</b>	<b>1 803</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	5 498	1 064	6 562	6 562	-	100.0%	1 803	1 803
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24 710</b>	<b>3 564</b>	<b>1 064</b>	<b>29 338</b>	<b>29 338</b>	<b>-</b>	<b>100.0%</b>	<b>22 286</b>	<b>22 196</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.3 REGISTRATION: INSPECTION AND ENFORCEMENT SERVICES									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>54 803</b>	<b>(2 410)</b>	-	<b>52 393</b>	<b>52 393</b>	-	<b>100.0%</b>	<b>51 171</b>	<b>51 170</b>
Compensation of employees	47 297	(288)	-	47 009	47 009	-	100.0%	44 555	44 555
Goods and services	7 506	(2 122)	-	5 384	5 384	-	100.0%	6 616	6 615
<b>Transfers and subsidies</b>	<b>114</b>	<b>80</b>	-	<b>194</b>	<b>194</b>	-	<b>100.0%</b>	<b>206</b>	<b>207</b>
Provinces and municipalities	-	-	-	-	-	-	-	2	3
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	114	80	-	194	194	-	100.0%	204	204
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>54 917</b>	<b>(2 330)</b>	-	<b>52 587</b>	<b>52 587</b>	-	<b>100.0%</b>	<b>51 377</b>	<b>51 377</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.4 COMPLIANCE, MONITORING AND ENFORCEMENT									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>372 902</b>	<b>(26 059)</b>	-	<b>346 843</b>	<b>346 843</b>	-	<b>100.0%</b>	<b>338 203</b>	<b>338 194</b>
Compensation of employees	309 702	(6 789)	-	302 913	302 913	-	100.0%	282 649	282 649
Goods and services	63 200	(19 270)	-	43 930	43 930	-	100.0%	55 554	55 545
<b>Transfers and subsidies</b>	<b>332</b>	<b>680</b>	-	<b>1 012</b>	<b>1 012</b>	-	<b>100.0%</b>	<b>1 661</b>	<b>1 661</b>
Provinces and municipalities	18	5	-	23	23	-	100.0%	19	19
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	314	675	-	989	989	-	100.0%	1 642	1 642
<b>Payments for capital assets</b>	<b>43</b>	<b>25 136</b>	-	<b>25 179</b>	<b>25 179</b>	-	<b>100.0%</b>	<b>307</b>	<b>307</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	43	25 136	-	25 179	25 179	-	100.0%	307	307
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>373 277</b>	<b>(243)</b>	-	<b>373 034</b>	<b>373 034</b>	-	<b>100.0%</b>	<b>340 171</b>	<b>340 162</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.5 TRAINING OF STAFF: INSPECTION AND ENFORCEMENT SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 619</b>	<b>1 061</b>	<b>-</b>	<b>6 680</b>	<b>6 680</b>	<b>-</b>	<b>100.0%</b>	<b>6 127</b>	<b>5 484</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	5 619	1 061	-	6 680	6 680	-	100.0%	6 127	5 484
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5 619</b>	<b>1 061</b>	<b>-</b>	<b>6 680</b>	<b>6 680</b>	<b>-</b>	<b>100.0%</b>	<b>6 127</b>	<b>5 484</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

2.6 STATUTORY AND ADVOCACY SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 820</b>	<b>(2 333)</b>	-	<b>6 487</b>	<b>6 487</b>	-	<b>100.0%</b>	<b>7 859</b>	<b>7 068</b>
Compensation of employees	5 188	(753)	-	4 435	4 435	-	100.0%	4 879	4 878
Goods and services	3 632	(1 580)	-	2 052	2 052	-	100.0%	2 980	2 190
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	<b>150</b>	-	<b>150</b>	<b>150</b>	-	<b>100.0%</b>	<b>46</b>	<b>46</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	150	-	150	150	-	100.0%	46	46
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8 820</b>	<b>(2 183)</b>	-	<b>6 637</b>	<b>6 637</b>	-	<b>100.0%</b>	<b>7 905</b>	<b>7 114</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management and Support Services: Public Employment Services	38 457	(7)	-	38 450	35 968	2 482	93.5%	34 658	34 586
2. Employer Services	121 568	932	-	122 500	120 086	2 414	98.0%	116 890	116 829
3. Work Seeker Services	126 040	(6 582)	-	119 458	116 038	3 420	97.1%	118 832	117 234
4. Designated Groups Special Services	11 508	-	-	11 508	11 066	442	96.2%	850	291
5. Supported Employment Enterprises	135 050	5 657	-	140 707	140 707	-	100.0%	132 883	127 813
6. Productivity South Africa	45 531	-	-	45 531	45 531	-	100.0%	43 119	43 119
7. Unemployment Insurance Fund	1	-	-	1	-	1	-	1	-
8. Compensation Fund	18 073	-	-	18 073	14 780	3 293	81.8%	32 278	23 752
9. Training of Staff: Public Employment Services	1 069	-	-	1 069	923	146	86.3%	2 022	1 640
<b>Total for sub programmes</b>	<b>497 297</b>	<b>-</b>	<b>-</b>	<b>497 297</b>	<b>485 099</b>	<b>12 198</b>	<b>97.5%</b>	<b>481 533</b>	<b>465 264</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>286 795</b>	<b>(911)</b>	-	<b>285 884</b>	<b>277 561</b>	<b>8 323</b>	<b>97.1%</b>	<b>302 268</b>	<b>297 477</b>
Compensation of employees	252 732	(907)	-	251 825	245 728	6 097	97.6%	266 534	265 059
Salaries and wages	208 858	4 021	-	212 879	211 439	1 440	99.3%	231 313	229 891
Social contributions	43 874	(4 928)	-	38 946	34 289	4 657	88.0%	35 221	35 168
Goods and services	34 063	(4)	-	34 059	31 833	2 226	93.5%	35 734	32 418
Administrative fees	468	(27)	-	441	416	25	94.3%	543	543
Advertising	397	401	-	798	798	-	100.0%	220	29
Minor assets	534	35	-	569	569	-	100.0%	597	420
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	49	-	49	49	-	100.0%	128	88
Catering: Departmental activities	999	428	-	1 427	1 413	14	99.0%	1 312	903
Communication	4 318	1 298	-	5 616	5 584	32	99.4%	5 037	4 915
Computer services	196	(133)	-	63	37	26	58.7%	124	124
Consultants: Business and advisory services	-	21	-	21	21	-	100.0%	14	14
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	1 044	923	-	1 967	1 967	-	100.0%	2 336	2 336
Agency and support / outsourced services	-	102	-	102	102	-	100.0%	52	5
Entertainment	20	(5)	-	15	15	-	100.0%	30	13
Fleet services	2 800	202	-	3 002	3 002	-	100.0%	3 041	2 724
Inventory: Fuel, oil and gas	510	(510)	-	-	-	-	-	124	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	363	(363)	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	381	(381)	-	-	-	-	-	20	-
Consumable supplies	20	115	-	135	135	-	100.0%	120	116
Consumable: Stationery, printing and office supplies	2 765	(1 099)	-	1 666	1 666	-	100.0%	2 437	2 184
Operating leases	2 196	(1 771)	-	425	422	3	99.3%	793	475
Property payments	555	3 737	-	4 292	4 292	-	100.0%	3 306	3 306
Transport provided: Departmental activity	1 450	(1 450)	-	-	-	-	-	133	133

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	10 305	(110)	-	10 195	9 045	1 150	88.7%	10 734	10 297
Training and development	1 069	(252)	-	817	671	146	82.1%	1 521	1 150
Operating payments	1 627	116	-	1 743	1 123	620	64.4%	1 953	1 484
Venues and facilities	2 046	(1 630)	-	416	206	210	49.5%	937	937
Rental and hiring	-	300	-	300	300	-	100.0%	222	222
<b>Transfers and subsidies</b>	<b>210 202</b>	<b>911</b>	<b>-</b>	<b>211 113</b>	<b>207 377</b>	<b>3 736</b>	<b>98.2%</b>	<b>178 715</b>	<b>167 269</b>
Provinces and municipalities	-	4	-	4	4	-	100.0%	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	4	-	4	4	-	100.0%	-	-
Municipal bank accounts	-	4	-	4	4	-	100.0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	63 605	-	-	63 605	60 311	3 294	94.8%	75 398	66 871
Social security funds	18 074	-	-	18 074	14 780	3 294	81.8%	32 278	23 752
Departmental agencies and accounts	45 531	-	-	45 531	45 531	-	100.0%	43 120	43 119
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	146 558	-	-	146 558	146 116	442	99.7%	102 134	99 216
Households	39	907	-	946	946	-	100.0%	1 183	1 182
Social benefits	39	890	-	929	929	-	100.0%	1 174	1 174
Other transfers to households	-	17	-	17	17	-	100.0%	9	8
<b>Payments for capital assets</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>161</b>	<b>139</b>	<b>53.7%</b>	<b>550</b>	<b>518</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	300	-	-	300	161	139	53.7%	550	518
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	300	-	-	300	161	139	53.7%	550	518
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>497 297</b>	<b>-</b>	<b>-</b>	<b>497 297</b>	<b>485 099</b>	<b>12 198</b>	<b>97.5%</b>	<b>481 533</b>	<b>465 264</b>



## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.1 MANAGEMENT AND SUPPORT SERVICES: PUBLIC EMPLOYMENT SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>38 157</b>	<b>(86)</b>	<b>-</b>	<b>38 071</b>	<b>35 728</b>	<b>2 343</b>	<b>93.8%</b>	<b>34 235</b>	<b>34 195</b>
Compensation of employees	32 493	(86)	-	32 407	30 164	2 243	93.1%	28 338	28 338
Goods and services	5 664	-	-	5 664	5 564	100	98.2%	5 897	5 857
<b>Transfers and subsidies</b>	<b>-</b>	<b>86</b>	<b>-</b>	<b>86</b>	<b>86</b>	<b>-</b>	<b>100.0%</b>	<b>8</b>	<b>8</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	86	-	86	86	-	100.0%	8	8
<b>Payments for capital assets</b>	<b>300</b>	<b>(7)</b>	<b>-</b>	<b>293</b>	<b>154</b>	<b>139</b>	<b>52.6%</b>	<b>415</b>	<b>383</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	300	(7)	-	293	154	139	52.6%	415	383
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>38 457</b>	<b>(7)</b>	<b>-</b>	<b>38 450</b>	<b>35 968</b>	<b>2 482</b>	<b>93.5%</b>	<b>34 658</b>	<b>34 586</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.2 EMPLOYER SERVICES									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>121 568</b>	<b>560</b>	<b>-</b>	<b>122 128</b>	<b>119 714</b>	<b>2 414</b>	<b>98.0%</b>	<b>115 901</b>	<b>115 840</b>
Compensation of employees	107 755	(368)	-	107 387	104 973	2 414	97.8%	99 862	99 809
Goods and services	13 813	928	-	14 741	14 741	-	100.0%	16 039	16 031
<b>Transfers and subsidies</b>	<b>-</b>	<b>372</b>	<b>-</b>	<b>372</b>	<b>372</b>	<b>-</b>	<b>100.0%</b>	<b>854</b>	<b>854</b>
Provinces and municipalities	-	4	-	4	4	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	368	-	368	368	-	100.0%	854	854
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>135</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	135	135
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>121 568</b>	<b>932</b>	<b>-</b>	<b>122 500</b>	<b>120 086</b>	<b>2 414</b>	<b>98.0%</b>	<b>116 890</b>	<b>116 829</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.3 WORK SEEKER SERVICES									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>126 001</b>	<b>(6 874)</b>	<b>-</b>	<b>119 127</b>	<b>115 707</b>	<b>3 420</b>	<b>97.1%</b>	<b>118 638</b>	<b>117 041</b>
Compensation of employees	112 484	(5 436)	-	107 048	105 608	1 440	98.7%	108 760	108 760
Goods and services	13 517	(1 438)	-	12 079	10 099	1 980	83.6%	9 878	8 281
<b>Transfers and subsidies</b>	<b>39</b>	<b>285</b>	<b>-</b>	<b>324</b>	<b>324</b>	<b>-</b>	<b>100.0%</b>	<b>194</b>	<b>193</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	39	285	-	324	324	-	100.0%	194	193
<b>Payments for capital assets</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	7	-	7	7	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>126 040</b>	<b>(6 582)</b>	<b>-</b>	<b>119 458</b>	<b>116 038</b>	<b>3 420</b>	<b>97.1%</b>	<b>118 832</b>	<b>117 234</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.4 DESIGNATED GROUPS SPECIAL SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>11 508</b>	-	-	<b>11 508</b>	<b>11 066</b>	<b>442</b>	<b>96.2%</b>	<b>850</b>	<b>291</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	11 508	-	-	11 508	11 066	442	96.2%	850	291
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11 508</b>	-	-	<b>11 508</b>	<b>11 066</b>	<b>442</b>	<b>96.2%</b>	<b>850</b>	<b>291</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.5 SUPPORTED EMPLOYMENT ENTERPRISES									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	5 489	-	5 489	5 489	-	100.0%	31 472	28 761
Compensation of employees	-	4 983	-	4 983	4 983	-	100.0%	29 574	28 152
Goods and services	-	506	-	506	506	-	100.0%	1 898	609
<b>Transfers and subsidies</b>	135 050	168	-	135 218	135 218	-	100.0%	101 411	99 052
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	135 050	-	-	135 050	135 050	-	100.0%	101 284	98 925
Households	-	168	-	168	168	-	100.0%	127	127
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>135 050</b>	<b>5 657</b>	<b>-</b>	<b>140 707</b>	<b>140 707</b>	<b>-</b>	<b>100.0%</b>	<b>132 883</b>	<b>127 813</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.6 PRODUCTIVITY SOUTH AFRICA									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>45 531</b>	-	-	<b>45 531</b>	<b>45 531</b>	-	<b>100.0%</b>	<b>43 119</b>	<b>43 119</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	45 531	-	-	45 531	45 531	-	100.0%	43 119	43 119
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45 531</b>	-	-	<b>45 531</b>	<b>45 531</b>	-	<b>100.0%</b>	<b>43 119</b>	<b>43 119</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.7 UNEMPLOYMENT INSURANCE FUND									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1</b>	-	-	<b>1</b>	-	<b>1</b>	-	<b>1</b>	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	-	1	-	1	-	1	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	-	-	<b>1</b>	-	<b>1</b>	-	<b>1</b>	-

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.8 COMPENSATION FUND									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>18 073</b>	-	-	<b>18 073</b>	<b>14 780</b>	<b>3 293</b>	<b>81.8%</b>	<b>32 278</b>	<b>23 752</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	18 073	-	-	18 073	14 780	3 293	81.8%	32 278	23 752
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18 073</b>	-	-	<b>18 073</b>	<b>14 780</b>	<b>3 293</b>	<b>81.8%</b>	<b>32 278</b>	<b>23 752</b>



## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

3.9 TRAINING OF STAFF: PUBLIC EMPLOYMENT SERVICES									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 069</b>	-	-	<b>1 069</b>	<b>923</b>	<b>146</b>	<b>86.3%</b>	<b>2 022</b>	<b>1 640</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 069	-	-	1 069	923	146	86.3%	2 022	1 640
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 069</b>	-	-	<b>1 069</b>	<b>923</b>	<b>146</b>	<b>86.3%</b>	<b>2 022</b>	<b>1 640</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management and Support Services: Labour Policy and Industrial Relations	14 339	(99)	-	14 240	12 578	1 662	88.3%	12 148	10 135
2. Strengthen Civil Society	17 929	-	-	17 929	17 929	-	100.0%	17 318	17 318
3. Collective Bargaining	13 251	67	-	13 318	12 582	736	94.5%	14 543	13 467
4. Employment Equity	14 706	-	-	14 706	14 324	382	97.4%	14 355	9 943
5. Employment Standards	12 787	4	-	12 791	10 961	1 830	85.7%	12 433	11 035
6. Commission for Conciliation, Mediation and Arbitration	731 799	-	-	731 799	731 799	-	100.0%	687 096	687 096
7. Research, Policy and Planning	12 040	(1 609)	-	10 431	7 110	3 321	68.2%	9 039	6 677
8. Labour Market Information and Statistics	38 747	-	-	38 747	35 860	2 887	92.5%	37 641	33 945
9. International Labour Matters	35 394	1 637	-	37 031	36 431	600	98.4%	35 240	30 774
10. National Economic Development and Labour Council	29 004	-	-	29 004	28 791	213	99.3%	27 622	27 447
<b>Total for sub programmes</b>	<b>919 996</b>	<b>-</b>	<b>-</b>	<b>919 996</b>	<b>908 365</b>	<b>11 631</b>	<b>98.7%</b>	<b>867 435</b>	<b>847 837</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>121 788</b>	<b>(1 819)</b>	-	<b>119 969</b>	<b>108 356</b>	<b>11 613</b>	<b>90.3%</b>	<b>117 139</b>	<b>97 979</b>
Compensation of employees	80 538	(38)	-	80 500	78 099	2 401	97.0%	76 752	73 048
Salaries and wages	69 818	(34)	-	69 784	67 838	1 946	97.2%	66 823	63 747
Social contributions	10 720	(4)	-	10 716	10 261	455	95.8%	9 929	9 301
Goods and services	41 250	(1 781)	-	39 469	30 257	9 212	76.7%	40 387	24 931
Administrative fees	698	(31)	-	667	428	239	64.2%	599	436
Advertising	5 672	365	-	6 037	5 567	470	92.2%	6 207	2 428
Minor assets	668	7	-	675	170	505	25.2%	623	233
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	30	-	30	30	-	100.0%	-	-
Catering: Departmental activities	257	36	-	293	215	78	73.4%	272	153
Communication	1 150	1	-	1 151	966	185	83.9%	1 149	799
Computer services	1 182	1	-	1 183	944	239	79.8%	1 065	294
Consultants: Business and advisory services	7 207	(1 442)	-	5 765	3 145	2 620	54.6%	4 593	2 965
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	920	(2)	-	918	-	918	-	64	-
Contractors	31	45	-	76	76	-	100.0%	76	76
Agency and support / outsourced services	7	-	-	7	-	7	-	28	25
Entertainment	89	(12)	-	77	47	30	61.0%	43	24
Fleet services	412	(24)	-	388	236	152	60.8%	433	264
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	106	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	47	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	8	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	159	(96)	-	63	9	54	14.3%	87	37
Consumable: Stationery, printing and office supplies	3 855	(506)	-	3 349	2 790	559	83.3%	5 217	3 951
Operating leases	1 559	(289)	-	1 270	1 188	82	93.5%	1 735	790
Property payments	702	(101)	-	601	547	54	91.0%	982	267
Transport provided: Departmental activity	-	-	-	-	-	-	-	83	82

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	11 982	63	-	12 045	10 939	1 106	90.8%	11 455	8 745
Training and development	1 675	-	-	1 675	676	999	40.4%	1 409	412
Operating payments	639	10	-	649	375	274	57.8%	991	695
Venues and facilities	2 386	164	-	2 550	1 909	641	74.9%	3 088	2 229
Rental and hiring	-	-	-	-	-	-	-	27	26
<b>Transfers and subsidies</b>	<b>797 861</b>	<b>1 647</b>	<b>-</b>	<b>799 508</b>	<b>799 507</b>	<b>1</b>	<b>100.0%</b>	<b>750 060</b>	<b>749 636</b>
Provinces and municipalities	2	-	-	2	1	1	50.0%	2	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2	-	-	2	1	1	50.0%	2	-
Municipal bank accounts	2	-	-	2	1	1	50.0%	2	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	760 590	-	-	760 590	760 590	-	100.0%	714 543	714 543
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	760 590	-	-	760 590	760 590	-	100.0%	714 543	714 543
Foreign governments and international organisations	19 300	1 609	-	20 909	20 909	-	100.0%	17 441	17 019
Non-profit institutions	17 929	-	-	17 929	17 929	-	100.0%	17 318	17 318
Households	40	38	-	78	78	-	100.0%	756	756
Social benefits	8	38	-	46	46	-	100.0%	756	756
Other transfers to households	32	-	-	32	32	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>347</b>	<b>172</b>	<b>-</b>	<b>519</b>	<b>502</b>	<b>17</b>	<b>96.7%</b>	<b>236</b>	<b>222</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	347	172	-	519	502	17	96.7%	236	222
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	347	172	-	519	502	17	96.7%	236	222
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>919 996</b>	<b>-</b>	<b>-</b>	<b>919 996</b>	<b>908 365</b>	<b>11 631</b>	<b>98.7%</b>	<b>867 435</b>	<b>847 837</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.1 MANAGEMENT AND SUPPORT SERVICES: LABOUR POLICY AND INDUSTRIAL RELATIONS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>14 150</b>	<b>(67)</b>	-	<b>14 083</b>	<b>12 438</b>	<b>1 645</b>	<b>88.3%</b>	<b>12 148</b>	<b>10 135</b>
Compensation of employees	10 027	(67)	-	9 960	9 863	97	99.0%	8 126	8 106
Goods and services	4 123	-	-	4 123	2 575	1 548	62.5%	4 022	2 029
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>189</b>	<b>(32)</b>	-	<b>157</b>	<b>140</b>	<b>17</b>	<b>89.2%</b>	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	189	(32)	-	157	140	17	89.2%	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14 339</b>	<b>(99)</b>	-	<b>14 240</b>	<b>12 578</b>	<b>1 662</b>	<b>88.3%</b>	<b>12 148</b>	<b>10 135</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.2 STRENGTHEN CIVIL SOCIETY									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>17 929</b>	-	-	<b>17 929</b>	<b>17 929</b>	-	<b>100.0%</b>	<b>17 318</b>	<b>17 318</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	17 929	-	-	17 929	17 929	-	100.0%	17 318	17 318
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17 929</b>	-	-	<b>17 929</b>	<b>17 929</b>	-	<b>100.0%</b>	<b>17 318</b>	<b>17 318</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.3 COLLECTIVE BARGAINING									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>13 246</b>	<b>67</b>	<b>-</b>	<b>13 313</b>	<b>12 577</b>	<b>736</b>	<b>94.5%</b>	<b>14 190</b>	<b>13 114</b>
Compensation of employees	10 910	67	-	10 977	10 977	-	100.0%	10 538	10 097
Goods and services	2 336	-	-	2 336	1 600	736	68.5%	3 652	3 017
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353</b>	<b>353</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	353	353
<b>Payments for capital assets</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5	-	-	5	5	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13 251</b>	<b>67</b>	<b>-</b>	<b>13 318</b>	<b>12 582</b>	<b>736</b>	<b>94.5%</b>	<b>14 543</b>	<b>13 467</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.4 EMPLOYMENT EQUITY									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>14 631</b>	-	-	<b>14 631</b>	<b>14 249</b>	<b>382</b>	<b>97.4%</b>	<b>14 316</b>	<b>9 904</b>
Compensation of employees	6 817	-	-	6 817	6 624	193	97.2%	6 609	6 376
Goods and services	7 814	-	-	7 814	7 625	189	97.6%	7 707	3 528
<b>Transfers and subsidies</b>	<b>8</b>	-	-	<b>8</b>	<b>8</b>	-	<b>100.0%</b>	<b>39</b>	<b>39</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8	-	-	8	8	-	100.0%	39	39
<b>Payments for capital assets</b>	<b>67</b>	-	-	<b>67</b>	<b>67</b>	-	<b>100.0%</b>	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	67	-	-	67	67	-	100.0%	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14 706</b>	-	-	<b>14 706</b>	<b>14 324</b>	<b>382</b>	<b>97.4%</b>	<b>14 355</b>	<b>9 943</b>



## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.5 EMPLOYMENT STANDARDS									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12 755</b>	-	-	<b>12 755</b>	<b>10 925</b>	<b>1 830</b>	<b>85.7%</b>	<b>12 354</b>	<b>10 956</b>
Compensation of employees	7 392	-	-	7 392	7 293	99	98.7%	6 689	6 517
Goods and services	5 363	-	-	5 363	3 632	1 731	67.7%	5 665	4 439
<b>Transfers and subsidies</b>	<b>32</b>	-	-	<b>32</b>	<b>32</b>	-	<b>100.0%</b>	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	32	-	-	32	32	-	100.0%	-	-
<b>Payments for capital assets</b>	-	<b>4</b>	-	<b>4</b>	<b>4</b>	-	<b>100.0%</b>	<b>79</b>	<b>79</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	4	-	4	4	-	100.0%	79	79
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12 787</b>	<b>4</b>	-	<b>12 791</b>	<b>10 961</b>	<b>1 830</b>	<b>85.7%</b>	<b>12 433</b>	<b>11 035</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.6 COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>731 799</b>	-	-	<b>731 799</b>	<b>731 799</b>	-	<b>100.0%</b>	<b>687 096</b>	<b>687 096</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	731 799	-	-	731 799	731 799	-	100.0%	687 096	687 096
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>731 799</b>	-	-	<b>731 799</b>	<b>731 799</b>	-	<b>100.0%</b>	<b>687 096</b>	<b>687 096</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.7 RESEARCH, POLICY AND PLANNING									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12 040</b>	<b>(1 609)</b>	<b>-</b>	<b>10 431</b>	<b>7 110</b>	<b>3 321</b>	<b>68.2%</b>	<b>9 018</b>	<b>6 656</b>
Compensation of employees	4 230	-	-	4 230	4 047	183	95.7%	3 942	3 666
Goods and services	7 810	(1 609)	-	6 201	3 063	3 138	49.4%	5 076	2 990
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	21	21
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>12 040</b>	<b>(1 609)</b>	<b>-</b>	<b>10 431</b>	<b>7 110</b>	<b>3 321</b>	<b>68.2%</b>	<b>9 039</b>	<b>6 677</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.8 LABOUR MARKET INFORMATION AND STATISTICS									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>38 695</b>	<b>(210)</b>	<b>-</b>	<b>38 485</b>	<b>35 599</b>	<b>2 886</b>	<b>92.5%</b>	<b>37 275</b>	<b>33 595</b>
Compensation of employees	31 319	(38)	-	31 281	30 055	1 226	96.1%	30 128	29 281
Goods and services	7 376	(172)	-	7 204	5 544	1 660	77.0%	7 147	4 314
<b>Transfers and subsidies</b>	<b>2</b>	<b>38</b>	<b>-</b>	<b>40</b>	<b>39</b>	<b>1</b>	<b>97.5%</b>	<b>345</b>	<b>343</b>
Provinces and municipalities	2	-	-	2	1	1	50.0%	2	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	38	-	38	38	-	100.0%	343	343
<b>Payments for capital assets</b>	<b>50</b>	<b>172</b>	<b>-</b>	<b>222</b>	<b>222</b>	<b>-</b>	<b>100.0%</b>	<b>21</b>	<b>7</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	50	172	-	222	222	-	100.0%	21	7
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>38 747</b>	<b>-</b>	<b>-</b>	<b>38 747</b>	<b>35 860</b>	<b>2 887</b>	<b>92.5%</b>	<b>37 641</b>	<b>33 945</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.9 INTERNATIONAL LABOUR MATTERS									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>16 058</b>	-	-	<b>16 058</b>	<b>15 458</b>	<b>600</b>	<b>96.3%</b>	<b>17 663</b>	<b>13 619</b>
Compensation of employees	9 639	-	-	9 639	9 240	399	95.9%	10 553	9 005
Goods and services	6 419	-	-	6 419	6 218	201	96.9%	7 110	4 614
<b>Transfers and subsidies</b>	<b>19 300</b>	<b>1 609</b>	-	<b>20 909</b>	<b>20 909</b>	-	<b>100.0%</b>	<b>17 441</b>	<b>17 019</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	19 300	1 609	-	20 909	20 909	-	100.0%	17 441	17 019
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>36</b>	<b>28</b>	-	<b>64</b>	<b>64</b>	-	<b>100.0%</b>	<b>136</b>	<b>136</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	36	28	-	64	64	-	100.0%	136	136
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35 394</b>	<b>1 637</b>	-	<b>37 031</b>	<b>36 431</b>	<b>600</b>	<b>98.4%</b>	<b>35 240</b>	<b>30 774</b>

## DEPARTMENT OF LABOUR: VOTE 28 | APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

4.10 NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL									
ECONOMIC CLASSIFICATION	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>213</b>	-	-	<b>213</b>	-	<b>213</b>	-	<b>175</b>	-
Compensation of employees	204	-	-	204	-	204	-	167	-
Goods and services	9	-	-	9	-	9	-	8	-
<b>Transfers and subsidies</b>	<b>28 791</b>	-	-	<b>28 791</b>	<b>28 791</b>	-	<b>100.0%</b>	<b>27 447</b>	<b>27 447</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	28 791	-	-	28 791	28 791	-	100.0%	27 447	27 447
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>29 004</b>	-	-	<b>29 004</b>	<b>28 791</b>	<b>213</b>	<b>99.3%</b>	<b>27 622</b>	<b>27 447</b>

## 5.2.2 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in the note on Transfers and Subsidies, Disclosure Notes and Annexure 1 (A-E) to the Annual Financial Statements.

### 2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Detail of these transactions per programme can be viewed in the note on Payments for Financial Assets to the Annual Financial Statements.

### 4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 PER PROGRAMME				
	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>ADMINISTRATION</b>				
Current payment	760 712	707 328	53 384	7.0%
Transfers and subsidies	2 389	2 318	71	3.0%
Payment for capital assets	50 486	35 531	14 955	29.6%
Payment for financial assets	460	460	-	-
<b>Total</b>	<b>814 047</b>	<b>745 637</b>	<b>68 410</b>	<b>8.4%</b>

The under spending is mainly attributable to the following reason:

- The Department received a claim from the Department of Public Works (DPW) amounting to R 78 million. This claim was disputed by the Department and DPW could not provide sufficient evidence to support the claim. The full amount of the claim was not paid resulting in an under expenditure.

INSPECTION AND ENFORCEMENT SERVICES				
Current payment	439 771	439 771	-	-
Transfers and subsidies	1 216	1 216	-	-
Payment for capital assets	31 907	31 907	-	-
<b>Total</b>	<b>472 894</b>	<b>472 894</b>	<b>-</b>	<b>-</b>

PUBLIC EMPLOYMENT SERVICES				
Current payment	285 884	277 561	8 323	2.9%
Transfers and subsidies	211 113	207 377	3 736	1.8%
Payment for capital assets	300	161	139	46.3%
<b>Total</b>	<b>497 297</b>	<b>485 099</b>	<b>12 198</b>	<b>2.5%</b>

The under spending is mainly due to less than anticipated claims from the Compensation Fund in respect of compensation for injuries on duty.

## DEPARTMENT OF LABOUR: VOTE 28 | NOTES TO THE APPROPRIATION STATEMENT | FOR THE YEAR ENDED 31 MARCH 2016

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>LABOUR POLICY AND INDUSTRIAL RELATIONS</b>				
Current payment	119 969	108 356	11 613	9.7%
Transfers and subsidies	799 508	799 507	1	-
Payment for capital assets	519	502	17	3.3%
<b>Total</b>	<b>919 996</b>	<b>908 365</b>	<b>11 631</b>	<b>1.3%</b>

The under spending is mainly due to the following reasons:

- The GCIS did not provide the invoices for the EE Awards Awareness campaign timely
- Research projects for the RME Agenda 4 did not commence in the financial year under review.

**4.2 PER ECONOMIC CLASSIFICATION**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	1 039 419	1 025 615	13 804	1.3%
Goods and services	566 917	507 401	59 516	10.5%
<b>Transfers and subsidies</b>				
Provinces and municipalities	622	550	72	11.6%
Departmental agencies and accounts	824 206	820 912	3 294	0.4%
Foreign governments and international organisations	20 912	20 912	-	-
Non-profit institutions	164 487	164 045	442	0.3%
Households	3 999	3 999	-	-
<b>Payments for capital assets</b>				
Buildings and other fixed structures	2 000	511	1 489	74.5%
Machinery and equipment	81 212	67 590	13 622	16.8%
<b>Payments for financial assets</b>	<b>460</b>	<b>460</b>	<b>-</b>	<b>-</b>

The under spending on current payments are mainly attributable to the following reasons:

- The Department received a claim from the Department of Public Works (DPW) amounting to R 78 million. This claim was disputed by the Department and DPW could not provide sufficient evidence to support the claim. The full amount of the claim was therefore not paid resulting in an under expenditure (Programme 1)
- Less than anticipated claims from the Compensation Fund in respect of compensation for injuries on duty (Programme 3)
- GCIS did not provide the invoices for the EE Awards Awareness campaign timely (Programme 4)
- Research projects for the RME Agenda 4 did not commence in the financial year under review (Programme 4).



**5.2.3 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2015/16 R'000	2014/15 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 704 234	2 546 292
Departmental revenue	2	10 056	11 155
<b>TOTAL REVENUE</b>		<b>2 714 290</b>	<b>2 557 447</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	1 025 615	997 751
Goods and services	4	507 401	460 216
<b>Total current expenditure</b>		<b>1 533 016</b>	<b>1 457 967</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	1 010 418	924 613
<b>Total transfers and subsidies</b>		<b>1 010 418</b>	<b>924 613</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	68 101	36 461
<b>Total expenditure for capital assets</b>		<b>68 101</b>	<b>36 461</b>
<b>Payments for financial assets</b>	5	<b>460</b>	<b>895</b>
<b>TOTAL EXPENDITURE</b>		<b>2 611 995</b>	<b>2 416 936</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>102 295</b>	<b>137 511</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		92 239	126 356
Annual appropriation		92 239	126 356
Departmental revenue and NRF Receipts	12	10 056	11 155
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>102 295</b>	<b>137 511</b>

## 5.2.4 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>84 403</b>	147 736
Cash and cash equivalents	8	9 755	45 613
Prepayments and advances	9	12 720	19 527
Receivables	10	61 928	82 596
<b>Non-current assets</b>		<b>22 286</b>	32 003
Receivables	10	22 286	32 003
<b>TOTAL ASSETS</b>		<b>106 689</b>	179 739
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>101 308</b>	174 183
Voted funds to be surrendered to the Revenue Fund	11	92 239	126 356
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1 035	1 037
Bank overdraft	13	-	45 317
Payables	14	8 034	1 473
<b>Non-current liabilities</b>			
Payables	15	-	137
<b>TOTAL LIABILITIES</b>		<b>101 308</b>	174 320
<b>NET ASSETS</b>		<b>5 381</b>	5 419
<b>Represented by:</b>			
Recoverable revenue		5 381	5 419
<b>TOTAL</b>		<b>5 381</b>	5 419

**5.2.5 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2015/16 R'000	2014/15 R'000
<b>Recoverable revenue</b>			
Opening balance		5 419	5 009
Transfers:		(38)	410
Debts recovered (included in departmental receipts)		2 962	(2 923)
Debts raised		(3 000)	3 333
<b>TOTAL</b>		<b>5 381</b>	<b>5 419</b>

## 5.2.6 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2015/16 R'000	2014/15 R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts		<b>2 714 185</b>	2 556 339
Annual appropriated funds received	1.1	<b>2 704 234</b>	2 546 292
Departmental revenue received	2	<b>8 648</b>	8 729
Interest received	2.3	<b>1 303</b>	1 318
Net (increase)/decrease in working capital		<b>43 753</b>	73 736
Surrendered to Revenue Fund		<b>(136 414)</b>	(95 819)
Current payments		<b>(1 533 016)</b>	(1 457 967)
Payments for financial assets		<b>(460)</b>	(895)
Transfers and subsidies paid		<b>(1 010 418)</b>	(924 613)
<b>Net cash flow available from operating activities</b>	16	<b>77 630</b>	150 781
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	15	<b>(68 101)</b>	(36 461)
Proceeds from sale of capital assets	2.4	<b>105</b>	1 108
<b>Net cash flows from investing activities</b>		<b>(67 996)</b>	(35 353)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		<b>(38)</b>	410
Increase/(decrease) in non-current payables		<b>(137)</b>	137
<b>Net cash flows from financing activities</b>		<b>(175)</b>	547
Net increase/(decrease) in cash and cash equivalents		<b>9 459</b>	115 975
Cash and cash equivalents at beginning of period		<b>296</b>	(115 679)
<b>Cash and cash equivalents at end of period</b>	17	<b>9 755</b>	296

## 5.2.7 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

#### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

#### 3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

#### 4. ROUNDING

Unless otherwise stated, financial figures have been rounded to the nearest one thousand Rand (R'000).

#### 5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

#### 6. COMPARATIVE INFORMATION

##### 6.1 PRIOR PERIOD COMPARATIVE INFORMATION

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

##### 6.2 CURRENT YEAR COMPARISON WITH BUDGET

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## 7. REVENUE

### 7.1 APPROPRIATED FUNDS

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

### 7.2 DEPARTMENTAL REVENUE

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

### 7.3 ACCRUED DEPARTMENTAL REVENUE

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Department
- The amount of revenue can be measured reliably
- The accrued revenue is measured at the fair value of the consideration receivable
- Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

## 8. EXPENDITURE

### 8.1 COMPENSATION OF EMPLOYEES

#### 8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### 8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### 8.2 OTHER EXPENDITURE

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### 8.3 ACCRUED EXPENDITURE PAYABLE

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

### 8.4 LEASES

#### 8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

#### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. AID ASSISTANCE

### 9.1 AID ASSISTANCE RECEIVED

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### 9.2 AID ASSISTANCE PAID

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## 11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.  
<Indicate when prepayments are expensed and under what circumstances.>

## 12. LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

## 13. INVESTMENTS

Investments are recognised in the statement of financial position at cost.

## 14. FINANCIAL ASSETS

### 14.1 FINANCIAL ASSETS (NOT COVERED ELSEWHERE)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

### 14.2 IMPAIRMENT OF FINANCIAL ASSETS

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 15. PAYABLES

Loans and payables are recognised in the statement of financial position at cost.

## 16. CAPITAL ASSETS

### 16.1 IMMOVABLE CAPITAL ASSETS

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2 002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.



Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

## 16.2 MOVABLE CAPITAL ASSETS

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## 16.3 INTANGIBLE ASSETS

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## 17. PROVISIONS AND CONTINGENTS

### 17.1 PROVISIONS

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and 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 of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

## 17.2 CONTINGENT LIABILITIES

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

## 17.3 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

## 17.4 COMMITMENTS

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## 18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- Approved by Parliament or the Provincial Legislature with funding and the related funds are received
- Approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance
- Transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## 19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 20. IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 21. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## 22. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## 23. PRINCIPAL-AGENT ARRANGEMENTS

The Department is party to a principal-agent arrangement for entities listed in note 34. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

## 24. DEPARTURES FROM THE MCS REQUIREMENTS

The financial statements present fairly the Department's primary and secondary information.

## 25. CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

## 26. RECOVERABLE REVENUE

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## 27. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

## 28. INVENTORIES (EFFECTIVE FROM 1 APRIL 2017)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

## 29. PUBLIC-PRIVATE PARTNERSHIPS

Public Private Partnerships are accounted for based on the nature and/or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements.

## 5.2.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ANNUAL APPROPRIATION

#### 1.1 ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds):

	Final Appropriation R'000	Actual Funds Received R'000	2015/16 Funds not requested/ not received R'000	Final Appropriation R'000	2014/15 Appropriation received R'000
Administration	814 047	814 047	-	764 919	764 919
Inspection and Enforcement Services	472 894	472 894	-	432 405	432 405
Public Employment Services	497 297	497 297	-	481 533	481 533
Labour Policy and Industrial Relations	919 996	919 996	-	867 435	867 435
<b>Total</b>	<b>2 704 234</b>	<b>2 704 234</b>	<b>-</b>	<b>2 546 292</b>	<b>2 546 292</b>

### 2. DEPARTMENTAL REVENUE

	Note	2015/16 R'000	2014/15 R'000
Tax revenue			
Sale of goods and services other than capital assets	2.1	4 141	3 956
Fines, penalties and forfeits	2.2	1 009	4
Interest, dividends and rent on land	2.3	1 303	1 318
Sale of capital assets	2.4	105	1 108
Transactions in financial assets and liabilities	2.5	3 498	4 769
<b>Departmental revenue collected</b>		<b>10 056</b>	<b>11 155</b>

#### 2.1 SALE OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	Note 2	2015/16 R'000	2014/15 R'000
Sale of goods and services produced by the Department		4 129	3 928
Sales by market establishment		176	182
Administrative fees		1 970	1 853
Other sales		1 983	1 893
Sales of scrap, waste and other used current goods		12	28
<b>Total</b>		<b>4 141</b>	<b>3 956</b>

**2.2 FINES, PENALTIES AND FORFEITS**

	Note 2	2015/16 R'000	2014/15 R'000
Fines		4	4
Penalties		1 005	-
<b>Total</b>		<b>1 009</b>	<b>4</b>

**2.3 INTEREST, DIVIDENDS AND RENT ON LAND**

	Note 2	2015/16 R'000	2014/15 R'000
Interest		1 303	1 318
<b>Total</b>		<b>1 303</b>	<b>1 318</b>

**2.4 SALE OF CAPITAL ASSETS**

	Note 2	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>105</b>	<b>1 108</b>
Machinery and equipment	31	105	1 108
<b>Total</b>		<b>105</b>	<b>1 108</b>

**2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES**

	Note 2	2015/16 R'000	2014/15 R'000
Receivables		2 428	2 108
Other Receipts including Recoverable Revenue		1 070	2 661
<b>Total</b>		<b>3 498</b>	<b>4 769</b>

**3. COMPENSATION OF EMPLOYEES****3.1 SALARIES AND WAGES**

	Note 3	2015/16 R'000	2014/15 R'000
Basic salary		725 798	710 853
Performance award		13 017	12 393
Service Based		1 230	1 348
Compensative/circumstantial		5 648	10 689
Other non-pensionable allowances		129 226	123 663
<b>Total</b>		<b>874 919</b>	<b>858 946</b>

**3.2 SOCIAL CONTRIBUTIONS**

	Note 3	2015/16 R'000	2014/15 R'000
<b>Employer contributions</b>			
Pension		93 918	92 037
Medical		56 568	46 559
Bargaining council		210	209
<b>Total</b>		<b>150 696</b>	<b>138 805</b>
<b>Total compensation of employees</b>		<b>1 025 615</b>	<b>997 751</b>
Average number of employees		3 126	3 194

**4. GOODS AND SERVICES**

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		4 667	5 796
Advertising		17 431	6 067
Minor assets	4.1	2 869	4 417
Bursaries (employees)		1 906	2 294
Catering		4 024	2 803
Communication		31 232	34 878
Computer services	4.2	66 868	69 703
Consultants: Business and advisory services		7 178	6 313
Legal services		3 085	2 270
Contractors		7 091	8 154
Agency and support / outsourced services		3 111	3 036
Entertainment		189	139
Audit cost – external	4.3	16 511	15 320
Fleet services		19 795	19 359
Consumables	4.4	22 218	22 082
Operating leases		139 488	104 876
Property payments	4.5	57 055	46 761
Rental and hiring		1 103	844
Transport provided as part of the departmental activities		140	390
Travel and subsistence	4.6	78 097	73 035
Venues and facilities		4 341	7 092
Training and development		12 513	13 136
Other operating expenditure	4.7	6 489	11 451
<b>Total</b>		<b>507 401</b>	<b>460 216</b>

## DEPARTMENT OF LABOUR: VOTE 28 | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

**4.1 MINOR ASSETS**

	Note 4	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>2 869</b>	4 417
Machinery and equipment		2 869	4 417
<b>Total</b>		<b>2 869</b>	4 417

\*50% deposits to SEE amounting to R215 705.05 were recognised as expenditure and not as prepayments in the Statement of Financial Position. This was correctly recorded in the Notes for Movements in Minor Assets.

**4.2 COMPUTER SERVICES**

	Note 4	2015/16 R'000	2014/15 R'000
SITA computer services		43 560	34 286
External computer service providers		23 308	35 417
<b>Total</b>		<b>66 868</b>	69 703

**4.3 AUDIT COST – EXTERNAL**

	Note 4	2015/16 R'000	2014/15 R'000
Regularity audits		16 511	15 320
<b>Total</b>		<b>16 511</b>	15 320

**4.4 CONSUMABLES**

	Note 4	2015/16 R'000	2014/15 R'000
Consumable supplies		2 545	3 194
Uniform and clothing		433	946
Household supplies		1 472	1 373
Building material and supplies		107	106
IT consumables		275	523
Other consumables		258	246
Stationery, printing and office supplies		19 673	18 888
<b>Total</b>		<b>22 218</b>	22 082

**4.5 PROPERTY PAYMENTS**

	Note 4	2015/16 R'000	2014/15 R'000
Municipal services		25 816	22 108
Property management fees		1 231	1 101
Property maintenance and repairs		7 930	3 850
Other		22 078	19 702
<b>Total</b>		<b>57 055</b>	46 761



**4.6 TRAVEL AND SUBSISTENCE**

	Note 4	2015/16 R'000	2014/15 R'000
Local		61 310	63 174
Foreign		16 787	9 861
<b>Total</b>		<b>78 097</b>	<b>73 035</b>

**4.7 OTHER OPERATING EXPENDITURE**

	Note 4	2015/16 R'000	2014/15 R'000
Professional bodies, membership and subscription fees		35	22
Resettlement costs		428	5 748
Other		6 026	5 681
<b>Total</b>		<b>6 489</b>	<b>11 451</b>

**5. PAYMENTS FOR FINANCIAL ASSETS**

	Note	2015/16 R'000	2014/15 R'000
Debts written off	5.1	460	895
<b>Total</b>		<b>460</b>	<b>895</b>

**5.1 DEBTS WRITTEN OFF**

	Note 5	2015/16 R'000	2014/15 R'000
<b>Nature of debts written off</b>			
Other debt written off			
Staff debts		458	893
Other		2	2
<b>Total debt written off</b>		<b>460</b>	<b>895</b>

**6. TRANSFERS AND SUBSIDIES**

	Note	2015/16 R'000	2014/15 R'000
Provinces and municipalities	Annex 1A	550	473
Departmental agencies and accounts	Annex 1B	820 912	785 813
Foreign governments and international organisations	Annex 1C	20 912	17 019
Non-profit institutions	Annex 1D	164 045	116 584
Households	Annex 1E	3 999	4 724
<b>Total</b>		<b>1 010 418</b>	<b>924 613</b>
Unspent funds transferred to the above beneficiaries		-	-

**7. EXPENDITURE FOR CAPITAL ASSETS**

	Note	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>68 101</b>	36 461
Buildings and other fixed structures	32	511	1 867
Machinery and equipment	31	67 590	34 594
<b>Total</b>		<b>68 101</b>	36 461

\*50% deposits to SEE amounting to R377 104.73 were recognised as expenditure and not as prepayments in the Statement of Financial Position. This was correctly recorded in the Notes for Movements in Capital Assets.

**7.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2015/16**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>68 101</b>	-	<b>68 101</b>
Buildings and other fixed structures	511	-	511
Machinery and equipment	67 590	-	67 590
<b>Total</b>	<b>68 101</b>	-	<b>68 101</b>

**7.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2014/15**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>36 461</b>	-	<b>36 461</b>
Buildings and other fixed structures	1 867	-	1 867
Machinery and equipment	34 594	-	34 594
<b>Total</b>	<b>36 461</b>	-	<b>36 461</b>

**7.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS**

	Note 7	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>31 638</b>	359
Machinery and equipment		31 638	359
<b>Total</b>		<b>31 638</b>	359

**8. CASH AND CASH EQUIVALENTS**

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		9 289	45 112
Disbursements		86	3
Cash on hand		380	498
<b>Total</b>		<b>9 755</b>	<b>45 613</b>

**9. PREPAYMENTS AND ADVANCES**

	Note	2015/16 R'000	2014/15 R'000
Travel and subsistence		204	255
Advances paid	9.1	12 516	19 272
<b>Total</b>		<b>12 720</b>	<b>19 527</b>

\*Deposits made to SEE amounting to R592 809.78 were recognised as expenditure in the Statement of Financial Performance and correctly recorded in the Note for Movements in Minor and Capital Assets.

**9.1 ADVANCES PAID**

	Note 9	2015/16 R'000	2014/15 R'000
National departments	Annex 7A	12 466	19 272
Public entities	Annex 7A	50	-
<b>Total</b>		<b>12 516</b>	<b>19 272</b>

**10. RECEIVABLES**

	Note	Current R'000	Non- current R'000	2015/16 Total R'000	Current R'000	Non- current R'000	2014/15 Total R'000
Claims recoverable	10.1	58 793	12 854	71 647	76 524	23 423	99 947
Recoverable expenditure	10.2	1 920	2 649	4 569	1 033	1 736	2 769
Staff debt	10.3	1 214	6 783	7 997	4 664	6 812	11 476
Other debtors	10.4	1	-	1	375	32	407
<b>Total</b>		<b>61 928</b>	<b>22 286</b>	<b>84 214</b>	<b>82 596</b>	<b>32 003</b>	<b>114 599</b>

## DEPARTMENT OF LABOUR: VOTE 28 | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

**10.1 CLAIMS RECOVERABLE**

	Note 10, Annex 4	2015/16 R'000	2014/15 R'000
National departments		12 318	12 293
Provincial departments		469	403
Public entities		58 860	87 251
<b>Total</b>		<b>71 647</b>	<b>99 947</b>

**10.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)**

	Note 10	2015/16 R'000	2014/15 R'000
Disallowance miscellaneous		839	898
Damaged vehicles		244	-
Disallowance accounts		3 248	1 796
Clearing accounts		238	75
<b>Total</b>		<b>4 569</b>	<b>2 769</b>

**10.3 STAFF DEBT**

	Note 10	2015/16 R'000	2014/15 R'000
Subsidised transport		11	118
Travel and subsistence		-	2
Bursaries		2 755	2 798
Salary overpayment (In-service)		222	148
Salary overpayment (Out-service)		835	847
State guarantees		35	96
Other		4 139	7 467
<b>Total</b>		<b>7 997</b>	<b>11 476</b>

**10.4 OTHER DEBTORS**

	Note 10	2015/16 R'000	2014/15 R'000
Salary clearing accounts		1	407
<b>Total</b>		<b>1</b>	<b>407</b>

**11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND**

	Note	2015/16 R'000	2014/15 R'000
Opening balance		126 356	73 803
Transfer from statement of financial performance (as restated)		92 239	126 356
Paid during the year		(126 356)	(73 803)
<b>Closing balance</b>		<b>92 239</b>	<b>126 356</b>

**12. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND**

	Note	2015/16 R'000	2014/15 R'000
Opening balance		1 037	11 898
Transfer from Statement of Financial Performance (as restated)		10 056	11 155
Paid during the year		(10 058)	(22 016)
<b>Closing balance</b>		<b>1 035</b>	<b>1 037</b>

**13. BANK OVERDRAFT**

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		-	45 317
<b>Total</b>		<b>-</b>	<b>45 317</b>

**14. PAYABLES – CURRENT**

	Note	2015/16 R'000	2014/15 R'000
Amounts owing to other entities		-	154
Clearing accounts	14.1	553	1 150
Other payables	14.2	7 481	169
<b>Total</b>		<b>8 034</b>	<b>1 473</b>

**14.1 CLEARING ACCOUNTS**

	Note 14	2015/16 R'000	2014/15 R'000
Salary control accounts		553	1 150
<b>Total</b>		<b>553</b>	<b>1 150</b>

**14.2 OTHER PAYABLES**

	Note 14	2015/16 R'000	2014/15 R'000
Arrear wages		545	169
CCMA		2 221	-
Disallowance Miscellaneous account		4 715	-
<b>Total</b>		<b>7 481</b>	<b>169</b>

**15. PAYABLES – NON-CURRENT**

	Note	One to two years R'000	Two to three years R'000	More than three years R'000	2015/16 Total R'000	2014/15 Total R'000
Amounts owing to other entities		-	-	-	-	43
Other payables	15.1	-	-	-	-	94
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>

**15.1 OTHER PAYABLES**

	Note 15	2015/16 R'000	2014/15 R'000
Salary clearing accounts		-	94
<b>Total</b>		<b>-</b>	<b>94</b>

**16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES**

	Note	2015/16 R'000	2014/15 R'000
Net surplus/(deficit) as per Statement of Financial Performance		102 295	137 511
Add back non cash/cash movements not deemed operating activities		(24 665)	13 270
(Increase)/decrease in receivables – current		30 385	85 731
(Increase)/decrease in prepayments and advances		6 807	(9 407)
Increase/(decrease) in payables – current		6 561	(2 588)
Proceeds from sale of capital assets		(105)	(1 108)
Expenditure on capital assets		68 101	36 461
Surrenders to Revenue Fund		(136 414)	(95 819)
<b>Net cash flow generated by operating activities</b>		<b>77 630</b>	<b>150 781</b>

**17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES**

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		9 289	(205)
Disbursements		86	3
Cash on hand		380	498
<b>Total</b>		<b>9 755</b>	<b>296</b>

**18. CONTINGENT LIABILITIES****18.1 CONTINGENT LIABILITIES**

		Note	2015/16 R'000	2014/15 R'000
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annex 2A	3 107	3 270
Claims against the Department		Annex 2B	4 425	2 526
Intergovernmental payables (unconfirmed balances)		Annex 4	13 923	59 921
<b>Total</b>			<b>21 455</b>	<b>65 717</b>

**18.2 CONTINGENT ASSETS**

	Note	2015/16 R'000	2014/15 R'000
<b>Nature of contingent asset</b>			
Possible receivables from DPW: Leased buildings		13 330	10 870
<b>Total</b>		<b>13 330</b>	<b>10 870</b>

\*The disclosed amount relates to payments made to DPW in excess of the approved rental and such cases have been referred to DPW for resolution.

**18.2.1 PRIOR PERIOD ERROR**

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Possible receivables form DPW: Leased buildings		10 870
<b>Total prior period errors</b>		<b>10 870</b>

**19. COMMITMENTS**

	Note	2015/16 R'000	2014/15 R'000
<b>Current expenditure</b>		<b>319 619</b>	<b>18 075</b>
Approved and contracted		119 405	14 032
Approved but not yet contracted		200 214	4 043
<b>Capital expenditure</b>		<b>4 685</b>	<b>339</b>
Approved and contracted		3 287	-
Approved but not yet contracted		1 398	339
<b>Total Commitments</b>		<b>324 304</b>	<b>18 414</b>

\*Commitments amounting to R32 136 699.95 are older than 1 year

	Note	2015/16 R'000	2014/15 R'000
<b>Listed by programme level</b>			
Programme 1 - Administration		134 435	-
Programme 2 - Inspection and Enforcement Services		12 931	-
Programme 3 - Public Employment Services		4 704	-
Programme 4 - Labour Policy and Industrial Relations		5 063	-
Compensation Fund		93 647	-
Unemployment Insurance Fund		73 524	-
<b>Total</b>		<b>324 304</b>	<b>-</b>

**20. ACCRUALS AND PAYABLES NOT RECOGNISED****20.1 ACCRUALS**

	30 Days R'000	30+ Days R'000	2015/16 Total R'000	2014/15 Total R'000
<b>Listed by economic Classification</b>				
Goods and services	26 118	1 227	27 345	56 329
Capital assets	827	-	827	1 927
Other	-	26 480	26 480	14 583
<b>Total</b>	<b>26 945</b>	<b>27 707</b>	<b>54 652</b>	<b>72 839</b>

	Note	2015/16 R'000	2014/15 R'000
<b>Listed by programme level</b>			
Programme 1 – Administration		51 566	68 150
Programme 2 – Inspection and Enforcement Services		1 032	713
Programme 3 – Public Employment Services		1 899	3 685
Programme 4 – Labour Policy and Industrial Relations		155	291
<b>Total</b>		<b>54 652</b>	<b>72 839</b>

\*Included in the disclosed amount is accruals amounting to R26 480 260.28 for lease of buildings (DPW).



**20.1.1 PRIOR PERIOD ERROR**

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Goods and services		56 329
Capital assets		1 927
Other*		14 583
<b>Total prior period errors</b>		<b>72 839</b>

\*Included in the disclosed amount is accruals amounting to R14 583 190.96 for lease of buildings (DPW) for 2014/15.

**20.2 PAYABLES NOT RECOGNISED**

	30 Days R'000	30+ Days R'000	2015/16 Total R'000	2014/15 Total R'000
<b>Listed by economic Classification</b>				
Goods and services	113	7	120	-
<b>Total</b>	<b>113</b>	<b>7</b>	<b>120</b>	<b>-</b>

	Note	2015/16 R'000	2014/15 R'000
<b>Listed by programme level</b>			
Programme 1 – Administration		106	-
Programme 2 – Inspection and Enforcement Services		-	-
Programme 3 – Public Employment Services		3	-
Programme 4 – Labour Policy and Industrial Relations		11	-
<b>Total</b>		<b>120</b>	<b>-</b>

**Included in the above totals are the following:**

	Note	2015/16 R'000	2014/15 R'000
Confirmed balances with other departments	Annex 4	929	6 174
Confirmed balances with other government entities	Annex 4	30	-
<b>Total</b>		<b>959</b>	<b>6 174</b>

**21. EMPLOYEE BENEFITS**

	Note	2015/16 R'000	2014/15 R'000
Leave entitlement*		39 842	38 633
Service bonus (Thirteenth cheque)		32 341	30 863
Performance awards		7 789	3 347
Capped leave commitments		33 518	33 230
Long Service Awards		681	3 458
<b>Total</b>		<b>114 171</b>	<b>109 531</b>

\*During January 2016 to March 2016, leave is at times taken in excess of the accrued leave days (one quarter of leave entitlement) and these results in negative balances at year-end. Included in the leave entitlement of R39 841 678.89 for the year-ended 31 March 2016, the value of leave with negative balances amounts to R1 615 893.31.

## 22. LEASE COMMITMENTS

### 22.1 OPERATING LEASES EXPENDITURE

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2015/16</b>			
Not later than 1 year	127 730	8 088	135 818
Later than 1 year and not later than 5 years	161 883	5 548	167 431
<b>Total lease commitments</b>	<b>289 613</b>	<b>13 636</b>	<b>303 249</b>
<b>2014/15</b>			
Not later than 1 year	118 247	8 004	126 251
Later than 1 year and not later than 5 years	289 613	8 427	298 040
<b>Total lease commitments</b>	<b>407 860</b>	<b>16 431</b>	<b>424 291</b>

\*The major cost is for the leasing of buildings (DPW) and photocopy machines.  
There are no assets that are being sub-leased.

#### 22.1.1 PRIOR PERIOD ERROR

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Not less than 1 year		118 247
Later than 1 year and not later than 5 years		289 613
<b>Total prior period errors</b>		<b>407 860</b>

### 22.2 FINANCE LEASES EXPENDITURE\*\*

	Machinery and equipment R'000	Total R'000
<b>2015/16</b>		
Not later than 1 year	34 450	34 450
Later than 1 year and not later than 5 years	4 902	4 902
<b>Total lease commitments</b>	<b>39 352</b>	<b>39 352</b>
<b>2014/15</b>		
Not later than 1 year	35 856	35 856
Later than 1 year and not later than 5 years	35 499	35 499
<b>Total lease commitments</b>	<b>71 355</b>	<b>71 355</b>

\*The major cost is for the leasing of mobile devices (tablets and cell phones) from Vodacom.  
There are no assets that are being sub-leased.

**22.2.1 PRIOR PERIOD ERROR**

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Not less than 1 year		35 856
Later than 1 year and not later than 5 years		35 499
<b>Total prior period errors*</b>		<b>71 355</b>

\*Finance Lease was classified under Commitments for the 2014/15 financial year.

It was noted that devices were rolled out in a staggered approach, and not all at inception date of contract.

**23. ACCRUED DEPARTMENTAL REVENUE**

	Note	2015/16 R'000	2014/15 R'000
Tax revenue			
Sales of goods and services other than capital assets		14	10
Interest, dividends and rent on land		79	103
<b>Total</b>		<b>93</b>	<b>113</b>

**23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE**

	Note 23	2015/16 R'000	2014/15 R'000
Opening balance		113	76
Less: amounts received		(113)	(76)
Add: amounts recognised		93	113
<b>Closing balance</b>		<b>93</b>	<b>113</b>

**24. IRREGULAR EXPENDITURE****24.1 RECONCILIATION OF IRREGULAR EXPENDITURE**

	Note	2015/16 R'000	2014/15 R'000
Opening balance		18 594	11 783
Add: Irregular expenditure – relating to current year		25 257	8 120
Less: Prior year amounts condoned		(3 013)	(40)
Less: Current year amounts condoned		(1 295)	(1 269)
<b>Closing balance</b>		<b>39 543</b>	<b>18 594</b>

**Analysis of awaiting condonation per age classification**

Current year	23 962	6 812
Prior years	15 581	11 782
<b>Total</b>	<b>39 543</b>	<b>18 594</b>

**24.2 DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR**

		2015/16 R'000
<b>Incident</b>	<b>Disciplinary steps taken/ criminal proceedings</b>	
Correct procedures not followed		25 257
<b>Total</b>		<b>25 257</b>

**24.3 DETAILS OF IRREGULAR EXPENDITURE CONDONED**

		2015/16 R'000
<b>Incident</b>	<b>Condoned by Director-General</b>	
Correct procurement procedures not followed		4 308
<b>Total</b>		<b>4 308</b>

**25. FRUITLESS AND WASTEFUL EXPENDITURE****25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE**

	Note	2015/16 R'000	2014/15 R'000
Opening balance		449	413
Fruitless and wasteful expenditure – relating to current year		34	61
Less: Amounts resolved		(1)	(25)
<b>Closing balance</b>		<b>482</b>	<b>449</b>

**25.2 ANALYSIS OF AWAITING RESOLUTION PER ECONOMIC CLASSIFICATION**

	Note	2015/16 R'000	2014/15 R'000
Current		482	449
<b>Total</b>		<b>482</b>	<b>449</b>

**25.3 ANALYSIS OF CURRENT YEAR'S FRUITLESS AND WASTEFUL EXPENDITURE**

		2015/16 R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
No Shows for Hotel Accommodation	Investigation in process	34
<b>Total</b>		<b>34</b>

## 26. RELATED PARTY TRANSACTIONS

### Nature of relationship

#### Public Entities controlled by the Department of Labour

Compensation Fund (CF)

Unemployment Insurance Fund (UIF)

Supported Employment Enterprises (SEE)

Commission for Conciliation Mediation and Arbitration (CCMA)

National Economic Development and Labour Council (NEDLAC)

Productivity South Africa (PSA)

#### Related Party Transactions:

Related Party	Transaction type	2015/16 R'000	2014/15 R'000
Supported Employment Enterprises*	Compensation of Employees	5 657	26 925
	Compensation of Employees (Internal Audit)	273	329
	<b>Total</b>	<b>5 930</b>	<b>27 254</b>

\*State Owned Properties occupied by SEE form part of the Labour portfolio.

## 27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers	2	4 211	3 438
Officials:			
Level 15 to 16	9	12 552	10 893
Level 14	34	38 457	36 522
Acting positions	1	69	268
Family member of key management personnel	1	346	-
<b>Total</b>		<b>55 635</b>	<b>51 121</b>

## 28. PUBLIC PRIVATE PARTNERSHIP

### Description of the arrangement

The Department of Labour entered into a Public Private Partnership Agreement (“PPP Agreement”) with EOH Managed services (Proprietary) Limited, contract ceded from Siemens Business Services (Proprietary) Limited (“private partner”), on 1 December 2002. The PPP Agreement required the private partner to provide information technology related infrastructure, services and management support to the Department of Labour, the Unemployment Insurance Fund and the Compensation Fund (“the Funds”) for a period of 10 years which ended on 30 November 2012.

### Infrastructure IT Support Service rendered after the PPP ended on 30 November 2012

- Annexure 12 of the PPP Agreement provides for the Department to, among others; request certain services to be rendered by the contractor during the contract termination support period, i.e. 1 December 2012 to 30 November 2013. The Department requested the contractor by way of its contract termination support service request, dated 8 August 2012, to render certain services and the contractor subsequently provided the Department with a proposal setting out the services to be rendered.
- During November 2012, the Department and the contractor agreed to activate the termination support period, stipulated in the contract (extended to 31 May 2014). During this period the contractor provided specific services to the Department with a focus of transferring skills, knowledge and staff to the Department. The Department paid a negotiated termination support fee to the contractor for this support period.

### Amounts paid for Infrastructure IT Support Service:

Payment type	Total payments	Department of Labour portion	Unemployment Insurance Fund portion	Compensation Fund portion
2014/15	R'000	R'000	R'000	R'000
Infrastructure IT Support Service*	3 306	1 102	1 102	1 102

\*The amounts paid for the 2014/15 Infrastructure IT Support Service is disclosed in Note 4 of the AFS.

After the conclusion of the PPP contract an amount of R1 711 023.34 remained in the reinvestment account (EOH account) held by EOH.

### Reinvestment fund

The reinvestment fund is a separate bank account for purposes of administering and the separate safekeeping of excess profit, foreign exchange rate savings and service credits. The reinvestment fund may be used during the term of the PPP Agreement to fund:

- The Department of Labour’s obligations in the event that the Rand devaluates outside certain agreed parameters.
- Additional services or variations.
- A reduction in unitary fee.
- Bank charges related to the reinvestment fund

Any residual funds at the end of the PPP Agreement will be distributed to the party entitled to it, which is summarised below:

- Funds accumulated due to foreign exchange savings will be distributed to the Department of Labour.
- Funds accumulated due to excess profits will be shared equally between the Department of Labour and the private partner.
- Funds accumulated due to service credits will be shared between the Department of Labour and the private partner, depending on how the service credit originated.

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As at 31 March 2016, the balance of the reinvestment fund was:

	2015/16 R'000	2014/15 R'000
Department of Labour	1 061	1 061
Compensation Fund	323	323
Unemployment Insurance Fund	327	327
<b>Total</b>	<b>1 711</b>	<b>1 711</b>

\*The amount for the 2015/16 financial year could not be obtained from the account holder despite numerous attempts to contact them.

## 29. IMPAIRMENT

	Note	2015/16 R'000	2014/15 R'000
<b>Impairment</b>			
Logis: Assets		1 152	388
Staff debtors		21	104
Other debtors		5	180
<b>Total</b>		<b>1 178</b>	<b>672</b>

## 30. PROVISIONS

	Note	2015/16 R'000	2014/15 R'000
<b>Provisions*</b>			
Private enterprises		90	89
Staff debtors		3 306	2 996
Other debtors		994	501
<b>Total</b>		<b>4 390</b>	<b>3 586</b>

\*Provisions above relate to debts older than three (3) years, due to the age of these debts and other factors in accordance with the Departmental Debt Policy.

### 30.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2015/16

	Private enterprises R'000	Staff debtors R'000	Other debtors R'000	Total provisions R'000
Opening balance	89	2 996	501	3 586
Increase in provision	1	1 471	613	2 085
Settlement of provision	-	(1 161)	(120)	(1 281)
<b>Closing balance</b>	<b>90</b>	<b>3 306</b>	<b>994</b>	<b>4 390</b>

**30.2 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2014/15**

	Private enterprises R'000	Staff debtors R'000	Other debtors R'000	Total provisions R'000
Opening balance	-	2 935	371	3 306
Increase in provision	89	1 669	185	1 943
Settlement of provision	-	(1 608)	(55)	(1 663)
<b>Closing balance</b>	<b>89</b>	<b>2 996</b>	<b>501</b>	<b>3 586</b>

**31. MOVABLE TANGIBLE CAPITAL ASSETS****MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>288 970</b>	<b>-</b>	<b>36 778</b>	<b>(4 801)</b>	<b>320 947</b>
Transport assets	138 805	-	26 010	(3 081)	161 734
Computer equipment	70 270	-	6 211	(1 204)	75 277
Furniture and office equipment	52 425	-	3 182	(457)	55 150
Other machinery and equipment	27 470	-	1 375	(59)	28 786
<b>TOTAL CAPITAL ASSETS</b>	<b>288 970</b>	<b>-</b>	<b>36 778</b>	<b>(4 801)</b>	<b>320 947</b>

**Movable Tangible Capital Assets Under Investigation**

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

	Number	Value R'000
Machinery and equipment	22	1 026

**31.1 ADDITIONS****ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Cash* R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>67 590</b>	<b>-</b>	<b>(31 638)</b>	<b>826</b>	<b>36 778</b>
Transport assets	26 010	-	-	-	26 010
Computer equipment*	37 849	-	(31 638)	-	6 211
Furniture and office equipment	2 372	-	-	810	3 182
Other machinery and equipment	1 359	-	-	16	1 375
<b>TOTAL ADDITIONS</b>	<b>67 590</b>	<b>-</b>	<b>(31 638)</b>	<b>826</b>	<b>36 778</b>

\*Finance Leases for R31 638 333.08 was included in the Additions above.



**31.2 DISPOSALS****DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	-	<b>(4 801)</b>	<b>(4 801)</b>	<b>105</b>
Transport assets	-	(3 081)	<b>(3 081)</b>	105
Computer equipment	-	(1 204)	<b>(1 204)</b>	-
Furniture and office equipment	-	(457)	<b>(457)</b>	-
Other machinery and equipment	-	(59)	<b>(59)</b>	-
<b>TOTAL DISPOSAL</b>	-	<b>(4 801)</b>	<b>(4 801)</b>	<b>105</b>

**31.3 MOVEMENT FOR 2014/15****MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>253 045</b>	<b>(2 806)</b>	<b>63 054</b>	<b>(24 323)</b>	<b>288 970</b>
Transport assets	119 229	(1 367)	31 063	(10 120)	138 805
Computer equipment	56 707	(840)	25 196	(10 793)	70 270
Furniture and office equipment	50 659	(100)	4 297	(2 431)	52 425
Other machinery and equipment	26 450	(499)	2 498	(979)	27 470
<b>TOTAL MOVABLE TANGIBLE</b>	<b>253 045</b>	<b>(2 806)</b>	<b>63 054</b>	<b>(24 323)</b>	<b>288 970</b>

**31.3.1 PRIOR PERIOD ERROR**

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Non-Cash: Prior Period Price Corrections		202
Non-Cash: Prior Period Price Corrections		(3 078)
Reclassified: Prior Period Asset Category Corrections		824
Reclassified: Prior Period Asset Category Corrections		(754)
<b>Total prior period errors</b>		<b>(2 806)</b>

**31.4 MINOR ASSETS****MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	15	108 408	108 423
Value adjustments	-	-	-
Additions	-	3 445	3 445
Disposals	-	(1 631)	(1 631)
<b>TOTAL MINOR ASSETS</b>	<b>15</b>	<b>110 222</b>	<b>110 237</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	6 953	6 953
Number of minor assets at cost	78	95 377	95 455
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>78</b>	<b>102 330</b>	<b>102 408</b>

**Minor Capital Assets under investigation**

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

	Number	Value R'000
Machinery and equipment	38	73

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	15	105 956	105 971
Value adjustments	(1)	255	254
Additions	1	9 640	9 641
Disposals	-	(7 443)	(7 443)
<b>TOTAL MINOR ASSETS</b>	<b>15</b>	<b>108 408</b>	<b>108 423</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	6 715	6 715
Number of minor assets at cost	5	94 894	94 899
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>5</b>	<b>101 609</b>	<b>101 614</b>

**31.4.1 PRIOR PERIOD ERROR**

	Note 32.4	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Non-Cash: Prior Period Price Corrections		286
Non-Cash: Prior Period Price Corrections		(33)
Reclassified: Prior Period Asset Category Corrections		6
Reclassified: Prior Period Asset Category Corrections		(5)
<b>Total prior period errors</b>		<b>254</b>

**31.5 MOVABLE ASSETS WRITTEN OFF****MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	2 696	2 696
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>2 696</b>	<b>2 696</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	2 307	2 307
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>2 307</b>	<b>2 307</b>

**32. INTANGIBLE CAPITAL ASSETS****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	202 173	-	-	-	202 173
<b>TOTAL INTANGIBLE ASSETS</b>	<b>202 173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202 173</b>

**32.1 ADDITIONS****ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Cash R'000	Non-Cash R'000	(Development work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Software	-	-	-	-	-
<b>TOTAL ADDITIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**32.2 DISPOSALS****DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
Software	-	-	-	-
<b>TOTAL DISPOSALS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**32.3 MOVEMENT FOR 2014/15****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	192 388	-	9 795	(10)	202 173
<b>TOTAL INTANGIBLE ASSETS</b>	<b>192 388</b>	<b>-</b>	<b>9 795</b>	<b>(10)</b>	<b>202 173</b>

**33. IMMOVABLE TANGIBLE CAPITAL ASSETS****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>167</b>	<b>-</b>	<b>511</b>	<b>(499)</b>	<b>179</b>
Non-residential buildings	106	-	511	(499)	118
Other fixed structures	61	-	-	-	61
<b>TOTAL TANGIBLE CAPITAL ASSETS</b>	<b>167</b>	<b>-</b>	<b>511</b>	<b>(499)</b>	<b>179</b>

**33.1 ADDITIONS****ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511</b>
Non-residential buildings	511	-	-	-	511
Other fixed structures	-	-	-	-	-
<b>TOTAL ADDITIONS</b>	<b>511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511</b>

**33.2 DISPOSALS****DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	(499)	(499)	-
Non-residential buildings	-	(499)	(499)	-
Other fixed structures	-	-	-	-
<b>TOTAL DISPOSALS</b>	-	(499)	(499)	-

**33.3 MOVEMENT FOR 2014/15****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>215</b>	<b>(70)</b>	<b>1 989</b>	<b>(1 967)</b>	<b>167</b>
Non-residential buildings	107	16	1 867	(1 884)	106
Other fixed structures	108	(86)	122	(83)	61
<b>TOTAL TANGIBLE CAPITAL ASSETS</b>	<b>215</b>	<b>(70)</b>	<b>1 989</b>	<b>(1 967)</b>	<b>167</b>

**33.3.1 PRIOR PERIOD ERROR**

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15		
Reclassified: Prior Period Asset Category Corrections		(86)
Reclassified: Prior Period Asset Category Corrections		16
<b>Total prior period errors</b>		<b>(70)</b>

**34. PRINCIPAL-AGENT ARRANGEMENTS****34.1 DEPARTMENT ACTING AS THE PRINCIPAL**

	2015/16 R'000	2014/15 R'000
Government Communication and Information Systems (GCIS)	12 186	16 531
Strengthen Civil Society	17 929	17 318
National Council for the Physically Disabled	417	136
National Council for the Blind	308	155
<b>Total</b>	<b>30 840</b>	<b>34 140</b>

**Government Communication and Information Systems (GCIS):**

Advance payments are made to GCIS to provide and outsource communication projects for the Department.

**Strengthen Civil Society:**

Strengthen Civil Society transfers funds to various civil society organisations that provide resources, support and expertise and protection to vulnerable workers to contribute to a stable and smooth functioning labour market and to improve the independence and self-reliance of workers.

**National Council for the Physically Disabled:**

The Department transfers funds to the National Council for the Physically Disabled to provide employment to people with disabilities that cannot be placed in the mainstream economy.

**National Council for the Blind:**

The Department transfers funds to the National Council for the Blind to provide employment to people with disabilities that cannot be placed in the mainstream economy.

## 5.2.9 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### ANNEXURE 1A

#### STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>Transfers</b>											
Municipal Vehicle Licences	622	-	-	622	550	-	-	-	-	-	473
<b>TOTAL</b>	<b>622</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>473</b>

\*Vehicles in all Provincial Offices and Labour Centres – amount paid to municipalities across the country.

### ANNEXURE 1B

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Licences (Radio and TV)	11	-	-	11	11	100%	20
Compensation Fund (CF)	18 073	-	-	18 073	14 780	82%	23 752
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	-
Commission for Conciliation, Mediation and Arbitration (CCMA)	731 799	-	-	731 799	731 799	100%	687 096
Productivity SA	45 531	-	-	45 531	45 531	100%	43 119
National Economic Development and Labour Council (NEDLAC)	28 791	-	-	28 791	28 791	100%	27 447
Public Sector Seta	-	-	-	-	-	-	4 276
<b>TOTAL</b>	<b>824 206</b>	<b>-</b>	<b>-</b>	<b>824 206</b>	<b>820 912</b>		<b>785 710</b>

**ANNEXURE 1C****STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
International Labour Organisation (ILO)	19 753	-	-	19 753	19 753	100%	16 155
African Regional Labour Administration Centre (ARLAC)	1 156	-	-	1 156	1 156	100%	864
Donations and gifts (FIGO)	3	-	-	3	3	100%	-
<b>TOTAL</b>	<b>20 912</b>	<b>-</b>	<b>-</b>	<b>20 912</b>	<b>20 912</b>		<b>17 019</b>

**ANNEXURE 1D****STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
SA National Council for the Blind	308	-	-	308	308	100%	155
Deaf Federation of South Africa	164	-	-	164	-		-
National Council for the Physical Disabled	417	-	-	417	417	100%	136
Workcentres for the Disabled*	135 050	-	-	135 050	135 050	100%	91 132
Workshops for the Blind*	10 619	-	-	10 619	10 341	97%	7 793
Strengthen Civil Society	17 929	-	-	17 929	17 929	100%	17 318
Donations and gifts NPI	-	-	-	-	-		50
<b>TOTAL</b>	<b>164 487</b>	<b>-</b>	<b>-</b>	<b>164 487</b>	<b>164 045</b>		<b>116 584</b>

\*Supported Employment Enterprises (SEE) transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities.



## ANNEXURE 1E

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Leave gratuity	3 311	-	-	3 311	3 311	100%	4 693
Ex-gratia payments	688	-	-	688	688	100%	31
<b>TOTAL</b>	<b>3 999</b>	<b>-</b>	<b>-</b>	<b>3 999</b>	<b>3 999</b>		<b>4 724</b>

## ANNEXURE 1F

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
	R'000	R'000
<b>Made in kind</b>		
Office Furniture and Equipment:		
Allemandsdrift AET Centre	5	68
Nantes Primary School	-	53
Leading Note Music and Art Foundation	-	33
Remnant Ministries International Church	47	48
Zwanangaye Ophanage Home	42	-
Royal Eagle's Workshop Centre	20	-
End Time Message Assembly	12	-
<b>TOTAL</b>	<b>126</b>	<b>202</b>

## ANNEXURE 2A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2 015	Adjustment to opening balance	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Closing balance 31 March 2 016	Guaranteed interest for year ended 31 March 2 016	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank of SA Limited	Housing Loan Guarantee	620	620	(81)	152	(39)	652	-	-
Nedbank Limited (former Cape of Good Hope)	Housing Loan Guarantee	16	16	-	-	-	16	-	-
Nedbank Limited	Housing Loan Guarantee	301	301	(35)	-	-	266	-	-
Firstrand Bank Limited: FNB	Housing Loan Guarantee	592	592	(16)	-	(89)	487	-	-
ABSA	Housing Loan Guarantee	332	332	-	107	(43)	396	-	-
Company Unique Finance (PTY)	Housing Loan Guarantee	30	30	-	-	-	30	-	-
Old Mutual Finance Limited	Housing Loan Guarantee	17	17	-	-	-	17	-	-
Peoples Bank (former FBC Fidelity Bank)	Housing Loan Guarantee	208	208	(14)	-	-	194	-	-
Nedbank LTD Incorp. (former Peoples Bank NBS)	Housing Loan Guarantee	356	356	-	-	(12)	344	-	-
Firstrand Bank Limited: FNB (former Saambou)	Housing Loan Guarantee	408	408	-	-	(22)	386	-	-
Old Mutual Bank Division of Nedbank (former PERM)	Housing Loan Guarantee	258	258	(10)	-	-	248	-	-
Future Bank Corporation Limited	Housing Loan Guarantee	14	14	-	-	-	14	-	-
Free State Development Corporation	Housing Loan Guarantee	78	78	-	-	(61)	17	-	-
VBS Mutual Bank	Housing Loan Guarantee	7	7	-	-	-	7	-	-
Green Start Home Loans (PTY) LTD	Housing Loan Guarantee	33	33	-	-	-	33	-	-
<b>TOTAL</b>		<b>3 270</b>	<b>3 270</b>	<b>(156)</b>	<b>259</b>	<b>(266)</b>	<b>3 107</b>	<b>-</b>	<b>-</b>

**ANNEXURE 2B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

NATURE OF LIABILITY	Opening Balance 1 April 2 015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2 016
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
Claims: Supplier-related	312	-	-	-	312
Claims: Employee-related	339	-	-	-	339
Civil Claims	1 875	1 920	(21)	-	3 774
<b>TOTAL</b>	<b>2 526</b>	<b>1 920</b>	<b>(21)</b>	<b>-</b>	<b>4 425</b>

### ANNEXURE 3 CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16*	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENT</b>								
Higher Education and Training	32	32	12 144	12 144	12 176	12 176		-
Justice and Constitutional Development	8	-	-	-	8	-		-
Provincial: Health GT	41	41	-	-	41	41		-
Provincial: Health MP	17	-	-	-	17	-		-
Provincial: Health EC	23	23	-	-	23	23		-
Provincial: Health KZN	28	17	-	-	28	17		-
Provincial: Health NW	27	27	-	-	27	27		-
Provincial: Health LP	4	4	-	-	4	4		-
Public Works	41	41	-	-	41	41		-
Provincial: Public Works LP	14	14	-	-	14	14		-
Gauteng Shared Services	15	27	-	-	15	27		-
Social Development	15	-	-	-	15	-		-
Provincial: Social Development EC	-	12	-	-	-	12		-
Provincial: Social Development GT	7	7	-	-	7	7		-
Provincial: Rural Development and Land Reform WC	-	14	-	-	-	14		-
Provincial: Transport KZN	19	19	-	-	19	19		-
Water and Sanitation	9	-	-	-	9	-		-
Provincial: Water Affairs EC	-	9	-	-	-	9		-
Provincial: Art and Culture KZN	13	13	-	-	13	13		-
KZN Agriculture, Environment Affairs and Rural Development	4	4	-	-	4	4		-
Provincial: Co-operative Governance and Traditional Affairs KZN	17	17	-	-	17	17		-
Provincial: Co-operative Governance and Traditional Affairs GT	-	10	-	-	-	10		-
Correctional Services GT	35	9	-	-	35	9		-

### ANNEXURE 3 (CONTINUED)

#### CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16*	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Provincial: Treasury FS	13	13	-	-	13	13		-
Provincial: Health and Social Development LP	38	38	-	-	38	38		-
Provincial: Roads and Public Transport EC	8	8	-	-	8	8		-
Provincial: Statistics South Africa WC	-	25	-	-	-	25		-
Provincial: Home Affairs GT	18	-	-	-	18	-		-
Provincial: Home Affairs NW	-	12	-	-	-	12		-
Provincial: Human Settlement GT	8	8	-	-	8	8		-
Provincial Environmental Affairs	19	-	-	-	19	-		-
Provincial: Education MP	6	6	-	-	6	6		-
Provincial: Education GT	44	28	-	-	44	28		-
Provincial: Education EC	34	34	-	-	34	34		-
Government Pension Administration Agency (GPAA)	-	19	-	-	-	19		-
International Relations and Co-operation (Dirco)	21	21	-	-	21	21		-
<b>OTHER GOVERNMENT ENTITIES</b>								
Compensation Fund (CF)	23 378	60 992	-	-	23 378	60 992		-
National Skills Fund (NSF)	964	964	-	-	964	964		-
Unemployment Insurance Fund (UIF)	34 278	25 251	-	-	34 278	25 251		-
Supported Employment Enterprises	241	-	-	-	241	-		-
South African Social Security Agency (SASSA) GT	35	35	-	-	35	35		-
South African Social Security Agency (SASSA) KZN	9	9	-	-	9	9		-
Centre for Public Service Innovation	20	-	-	-	20	-		-
<b>TOTAL</b>	<b>59 503</b>	<b>87 803</b>	<b>12 144</b>	<b>12 144</b>	<b>71 647</b>	<b>99 947</b>		<b>-</b>

## ANNEXURE 4

### INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16*	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment date up to six (6) working days before year end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Home Affairs	112	152	-	-	112	152		-
Public Works	-	4 618	-	58 577	-	63 195		-
South African Police Services	43	42	1	-	44	42		-
Free State Province	-	46	-	-	-	46		-
Roads and Public Works: Eastern Cape	-	17	-	-	-	17		-
Government Communication and Info Services	-	-	800	615	800	615		-
Social Development: Northern Cape	17	-	-	-	17	-		-
Social Development: KwaZulu-Natal	1	-	-	-	1	-		-
Police, Roads and Transport: Free State	18	-	-	-	18	-		-
Justice and Constitutional Development	706	-	13 093	-	13 799	-		-
Education: KwaZulu-Natal	15	-	-	-	15	-		-
Public Works and Roads: North West	17	-	-	-	17	-		-
<b>Non-current</b>								
Public Works	-	1 140	-	-	-	1 140		-
Higher Education and Training	-	-	18	-	18	-		-
Justice and Constitutional Development	-	-	11	-	11	-		-
<b>OTHER GOVERNMENT ENTITY</b>								
<b>Current</b>								
Government Printing	30	159	-	729	30	888	18 and 23 Mar'16	24
<b>TOTAL</b>	<b>959</b>	<b>6 174</b>	<b>13 923</b>	<b>59 921</b>	<b>14 882</b>	<b>66 095</b>		<b>24</b>

## ANNEXURE 5 INVENTORIES

INVENTORY	Note	Quantity	2015/16	Quantity	2014/15
			R'000		R'000
Opening balance		182 345	5 218	460 497	9 796
Add/(Less): Adjustments to prior year balance		(5 411)	30 628	(279 571)	(3 805)
Add: Additions/Purchases - Cash		-	3 842	373 635	28 780
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	(66)	(11 484)	(1 129)
(Less): Issues		-	(5 119)	(368 787)	(28 522)
Add/(Less): Adjustments		15 723	(27 043)	8 055	98
<b>Closing balance</b>		<b>192 657</b>	<b>7 460</b>	182 345	5 218

## ANNEXURE 6

### MOVEMENT IN CAPITAL WORK IN PROGRESS

#### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>12 159</b>	-	-	<b>12 159</b>
Dwellings	-	-	-	-
Non-residential buildings	12 159	-	-	12 159
Other fixed structures	-	-	-	-
<b>TOTAL</b>	<b>12 159</b>	-	-	<b>12 159</b>

#### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>13 065</b>	-	<b>481</b>	<b>(1 387)</b>	<b>12 159</b>
Dwellings	-	-	-	-	-
Non-residential buildings	13 065	-	481	(1 387)	12 159
Other fixed structures	-	-	-	-	-
<b>TOTAL</b>	<b>13 065</b>	-	<b>481</b>	<b>(1 387)</b>	<b>12 159</b>



## ANNEXURE 7A

### INTER-ENTITY ADVANCES PAID (NOTE 9)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Government Communication and Information Systems (GCIS)	12 186	-	-	-	12 186	-
International Relations and Co-operation (Dirco)	280	-	-	-	280	-
<b>PUBLIC ENTITIES</b>						
SA Post Office (Permit Mail)	50	-	-	-	50	-
<b>TOTAL</b>	<b>12 516</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 516</b>	<b>-</b>



# PART F

## SUPPORTED EMPLOYMENT ENTERPRISES

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## SUPPORTED EMPLOYMENT ENTERPRISES (SEE)

### 6.1 (A) STATEMENT OF RESPONSIBILITY BY THE ACCOUNTING OFFICER

The Director-General of Labour is responsible for the preparation and fair presentation of these Annual Financial Statements in accordance with South African Statements of Generally Recognized Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act, 1999, (Act No. 1 of 1999). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Auditor-General of South Africa is responsible for expressing an opinion on the fair presentation of the financial statements.

As the Director-General is also responsible for the system of internal financial control, it should be noted that these are designed to provide reasonable, but not absolute, assurance as to the fair presentation of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of the Director-General to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Director-General has every reason to believe that the SEE factories have adequate resources in place to continue in operation for the foreseeable future.

The financial statements have been audited by the Auditor-General of South Africa, who was given unrestricted access to all financial records and related data, including minutes of all management meetings held. The Auditor-General of South Africa believes that all representations made to the Auditor-General of South Africa during the audit were valid and appropriate.

The financial statements were approved by the Director-General on 31 May 2016.

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**T Lamati**

Director-General: Labour  
29 July 2016

## 6.1 (B) REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

### 6.1.1 GENERAL REVIEW OF THE STATE OF AFFAIRS

The Supported Employment Enterprises (SEE), previously referred to as Sheltered Employment Factories, were established in 1943 to provide employment for people with mental and physical disabilities that prevented them from entering the open labour market due to the nature of their afflictions. The factories are open to all races.

The factories have operated since inception, under a Cabinet Memorandum adopted in 1943. The Employment Services Act, no. 4 of 2014, which was promulgated on 9 August 2015, makes provision for the establishment of Supported Employment Enterprises (SEE). The SEE will be established in terms of the Public Service Act as a Government Component. This is in line with the implementation of turnaround strategies to ensure that the factories are viable sustainable entities.

There are currently 12 factories across the country in seven (7) of the nine (9) provinces. Income from the factories is generated from sales of manufactured goods that include wood and metal furniture, hospital commodities, linen, bedding, protective clothing, garments, upholstery, and screen printing. The income from sales, supplemented by subsidy transfers from the Department of Labour, covers the operating expenses of the factories.

It is the vision of the factories to transform and expand direct employment for people with intellectual and multiple disabilities, and to develop as a provider of quality training for people with disabilities to enable and facilitate their transition into the open labour market.

### 6.1.2 SERVICES RENDERED BY SEE

- SEE is a manufacturing organization of textiles, wood and metal products
- The entity supplies government hospitals with linen and protective clothing
- It also supplies different departments with office furniture as well as school furniture to Basic Education
- The results of the operations of the SEE are summarized in the Statement of Comprehensive Income and the Statement of Changes in Equity.

### 6.1.3 CAPACITY CONSTRAINTS

- The structure of the SEE has been approved as per recommendation from the Business Case and most of the positions have been filled including the position of the CFO
- There is a need to review the current approved structure in order to capacitate the entity and ensure the smooth running of the organisation.

### 6.1.4 CORPORATE GOVERNANCE ARRANGEMENTS

The Department of Labour is currently providing the following services to SEE

- Internal audit
- Audit and risk committee

### 6.1.5 INVENTORIES

All inventory opening and closing balances together with movement for the year has been reflected in note 8 of the Annual Financial Statements.

### 6.1.6 APPROVAL

The Annual Financial Statements have been approved by the Accounting Officer.

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**T Lamati**

Director-General: Labour  
29 July 2016

## 6.2 ANNUAL PERFORMANCE MONITORING REPORT

Key Outputs	Performance Indicators	Actual Achievement	Annual Target	Actual Performance	Deviation from Planned target to actual achievement 2015/2016	Reasons for Variance	
	For 2015/16	2014/2015	For 2015/16				
<b>An efficient, effective and development orientated public service (Outcome 12)</b>							
1.	Manage factories to be viable and sustainable enterprise.	1.1 Strategic risks monitored in line with the Risk Appetite Model/ Framework.	<b>Achieved</b> Quarterly risks were monitored and reports were prepared and discussed at the Management Committee.	Quarterly strategic risks monitoring reports prepared and discussed at the Management Committee (MANCO).	<b>Not Achieved</b> Strategic Risks not monitored and no reports prepared for discussion at the Management Committee due to capacity constraints that led to lack of Strategic Risk Management.	100% deviation from planned target to actual achievement  Strategic Risk Assessment was not conducted in 2015/2016.	The structure does not provide for a Risk Management function. Establish a Risk Management Unit at SEE.  Conduct Strategic Risk Assessment for 2016/2017 and prepare an assessment report to be presented to the NRMC after which it will be recommended for approval by the AO/DG.
2.	Accessible Supported Employment Enterprises for all South Africans.	2.1. Expansion consultations conducted for the expansion of the SEE into Limpopo and Mpumalanga.	<b>Not Achieved</b> Consultation Plan was not implemented with all relevant stakeholders.	Feasibility Study Conducted and approved by the Department of Labour.	<b>Not Achieved</b> Feasibility study report not finalised.	50% deviation from planned target. Consultation Meetings conducted with both Limpopo and Mpumalanga, however, the feasibility study has not been concluded and approved.	Delays in securing consultation meeting with relevant stakeholders.
3.	Increase sales/ revenue from goods and services in the SEE.	3.1 Increased sales of goods and services in SEE.	<b>Not Achieved</b> Sales Revenue is <b>R47 616 397</b> at the end of the 2014/15 financial year.	Increase sales to R70 million per annum.	<b>Not Achieved</b> Sales revenue generated from operations is <b>R52 404 193</b> .	26% deviation from planned target to actual achievement as only R52 million sales revenue was achieved from the targeted R70million.	The projected sales agreements were only concluded in March 2016 and revenue will only be recognised in the new financial year.

Key Outputs	Performance Indicators	Actual Achievement	Annual Target	Actual Performance	Deviation from Planned target to actual achievement 2015/2016	Reasons for Variance
	For 2015/16	2014/2015	For 2015/16			
4.	Increase the Gross Profit Margin on all goods and services.	4.1 Increased gross profit margin.	N/A	Gross profit margin increased to 38%	<b>Not Achieved</b> -244%	100% deviation from planned target  The reason for the deviation is due to the change in accounting treatment of Cost of Sales. The entity has adopted the absorption costing model, which recognises all factory direct and indirect costs under cost of sales in line with the requirement of GRAP 12.
5.	Increase awareness of the SEE to the market.	5.1 SEE marketing strategy reviewed and approved for implementation in line with the market, the Business Case and the Employment Services Act 4 of 2014.	<b>Achieved</b>  Marketing Strategy developed, approved and implemented.	Review marketing strategy and implementation plan in line with market conditions and get approval.	<b>Achieved</b>  Marketing Strategy and Implementation plan were reviewed in line with market conditions and approved.	N/A  N/A
6.	Improve production performance and efficiency in the factories.	6.1 Production Standards developed and implemented in SEE Factories.	<b>Not Achieved</b>  Productions Standards not developed and not implemented across all factories.	Develop production standards across all factories and get approval.	<b>Not Achieved</b>  Production norms and standards developed but not yet implemented across all factories.	50% deviation as the production standards were not yet implemented across all factories.  Delays in finalising and consolidating production norms and standards led to delays in implementation across all factories.
<b>Decent employment through inclusive economic growth (outcome 4)</b>						
7.	Develop a finance management turnaround strategy.	7.1 Financial security and sustainability achieved in line with the Financial Management Strategy.	<b>Not Achieved</b>  Financial Management Strategy not finalised and approved.	Financial Management Strategy 80% implemented and measured against KPI's on a quarterly basis.	<b>Not Achieved</b>  80% of the finance management strategy not implemented and measured against KPI's on a quarterly basis.	100% deviation from planned target to actual achievement as Financial Management Strategy not finalised and approved.  Inadequate capacity within the finance unit to complete the finance management strategy due to the resignation of the Chief Financial Officer.

Key Outputs	Performance Indicators	Actual Achievement	Annual Target	Actual Performance	Deviation from Planned target to actual achievement 2015/2016	Reasons for Variance
	For 2015/16	2014/2015	For 2015/16			
8. Enforced Supply Chain Management procedures to comply with PFMA.	8.1 Procurements done in line with the Supply Chain Management Policy.	<b>Not Achieved</b> <ul style="list-style-type: none"> <li>Contracts with suppliers of raw material not reviewed</li> <li>Invitations for more suppliers for long term contracts not yet issued</li> <li>Performance on the implementation of SCM policy has been assessed in line with reporting framework.</li> </ul>	<ul style="list-style-type: none"> <li>Performance on implementation of Supply Chain Management policy assessed</li> <li>Review the Supply Chain Management Policy to be in Line with Treasury Guidelines and updates.</li> <li>Develop Supply Chain Management Framework</li> </ul>	<b>Not Achieved</b> <ul style="list-style-type: none"> <li>Performance on implementation of Supply Chain Management policy not assessed</li> <li>Supply Chain Management Policy Reviewed to be in Line with Treasury Guidelines and updates but not yet approved</li> <li>Supply Chain Management Framework developed.</li> </ul>	100% deviation from planned target as the performance on implementation and the reviewed policy was not yet approved.	Delays in finalising reviewed policy in time for approval.
9. Contribute to decent employment creation.	9.1 Increased sustainable work opportunities created for persons with disabilities, increase SEE capacity to 998 persons with disabilities employed in the SEE by end March 2015.	<b>Not Achieved</b> 40 additional temporary employment opportunities were created for persons with disabilities through the DBE project by using locals nearer to the schools to assemble desks	50 additional Employment opportunities created for people with disabilities.	<b>Not Achieved</b> No additional employment opportunities were created for persons with disabilities.	100% deviation from planned target to actual achievement due to inadequate production activity due to low sales volumes. Additional orders were only received towards the end of the year which would be produced in 2015/16	SEE secured long-term contract for the production of hospital linen and school furniture but delays in finalising contracts for the supply of raw materials delayed recruitment.
10. Effectively manage Employment Equity in line with the EE Plan of the SEE.	SEE Employment Equity Plan implemented.	<b>Not Achieved</b> Youth = 14.5%  Women = 30%	14% of Youth employed in the SEE as at end of March 2016  36% of Women employed in the SEE by end of March 2016  26% of Africans employed in the SEE by end of March 2016.  2% persons with disabilities employed in administration and management posts.	<b>Achieved</b> 15.8%  33.7%  26.8%  8.5%	None	None



## 6.3 PRIOR MODIFICATIONS TO AUDIT REPORTS

### AUDIT REPORT AND IMPORTANT MATTERS IN THE MANAGEMENT REPORT FOR THE 2014/15 FINANCIAL YEAR:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance		Financial year in which it first arose	Progress made in clearing / resolving the matter*
Disclaimer		None	None
Adverse opinion		None	None
Qualification			
<b>1.</b>	<b>Basis for qualified opinion</b>		
1.1	<p><b>Cost of sales and operating expenses:</b></p> <p>The entity did not absorb direct labour costs which are directly linked to production using the appropriate labour overhead recovery rate in accordance with GRAP 12, Inventories. Therefore, the entity incorrectly absorbed the cost of labour in operating expenses instead of cost of sales. Consequently, cost of sales is understated by R40 539 million and operating expenses overstated by R40 539 million.</p>	2014/15	Resolved
1.2	<p><b>Related party transactions:</b></p> <p>The trading entity did not disclose the remuneration of key management personnel, in accordance with GRAP 20 Related-party disclosures. The remuneration of key management personnel should be disclosed in total and for each of the following categories: short-term employee benefits, post-employment benefits, other long-term benefits and termination benefits.</p>	2014/15	Resolved
1.3	<p><b>Cash flow statement:</b></p> <p>The Auditor-General was unable to obtain sufficient appropriate audit evidence for amounts presented in the cash flow statement, as The Auditor-General was not provided with audit evidence to substantiate calculations for amount presented. The Auditor-General was unable to confirm cash flow amounts by alternative means. Consequently, The Auditor-General was unable to determine whether any adjustment was required to the cash flow statement.</p>	2014/15	Resolved
1.4	<p><b>Aggregation of immaterial uncorrected misstatements:</b></p> <p>The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements amongst others, the following items included in the statement of financial position, the statement of financial performance and the notes to the financial statements:</p> <ul style="list-style-type: none"> <li>• Trade and other payables are understated by R1,198 million</li> <li>• Cash and cash equivalents are understated by R97 649.</li> <li>• Non-current finance lease liability is overstated by R15 276 and current portion of finance lease liability is overstated by R99 043.</li> <li>• Operating expenses are understated by R1,141 million</li> <li>• Finance costs are understated by R114 487</li> </ul>	2012/13	Resolved
<b>2.</b>	<b>Emphasis of matters</b>		
The Auditor-General draw attention to the matters below. My opinion is not modified in respect of these matters.			
2.1	<p><b>Restatement of corresponding figures</b></p> <p>As disclosed in note 19 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during the year ended 31 March 2015 in the financial statements of the SEE at, and for the year ended, 31 March 2014</p>	2012/13	Resolved

2.2	<p><b>Report on other legal and regulatory requirements</b></p> <p>In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof. The Auditor-General have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, The Auditor-General do not express an opinion or conclusion on these matters.</p>		
3.	<p><b>Predetermined objectives</b></p> <p>The Auditor-General performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the trading entity for the year ended 31 March 2015.</p> <p>Auditor General evaluated the reported performance information against the overall criteria of usefulness and reliability.</p> <p>Auditor General evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. The Auditor General further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).</p> <p>Auditor General assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.</p>		
3.1	The material findings selected programmes/objectives are as follows:		
3.1.1	<p><b>Objective 2: Decent employment through inclusive growth</b></p> <p><b>Usefulness of reported performance information</b> <b>Measurability of indicators and targets</b></p>		
3.1.1.1	Performance targets should be measurable as required by the FMPPi. The Auditor-General could not measure the required performance for 25% of the targets. This was due to non-adherence by management to the FMPPi and the fact that management had not received the necessary training to enable application of the principles.	2012/13	Resolved. An action plan developed to address the finding.
3.1.1.2	Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPi. A total of 25% of the indicators were not well defined. This was because management was not adequately trained in the requirements of the FMPPi.	2012/13	Resolved. An action plan developed to address the finding.
4.	<b>Additional matter</b>		
4.1	<p><b>Achievement of planned targets</b></p> <p>Refer to the 2014/15 annual performance report for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness of the reported performance information for the selected objectives reported in this report.</p>	2012/13	The CEO tasked with ensuring oversight regarding predetermined objectives.
4.2	<p><b>Adjustment of material misstatements</b></p> <p>The Auditor-General identified material misstatements in the annual performance report submitted for auditing on the reported performance information of objective 2: Decent employment through inclusive growth. As management subsequently corrected the misstatements, The Auditor-General did not raise any material findings on the reliability of the reported performance information.</p>		
4.3	<p><b>Compliance with legislation</b></p> <p>Auditor General performed procedures to obtain evidence that the trading entity had complied with applicable legislation regarding financial matters, financial management and other related matters. Auditor General findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:</p>		
4.3.1	<p><b>Procurement and contract management</b></p> <p>Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.</p>	2012/13	The CEO tasked with ensuring oversight regarding procurement and contract management.

4.3.2	<b>Expenditure management</b> The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act.	2012/13	The CEO tasked with ensuring oversight regarding expenditure management.
4.3.3	Annual financial statements, performance and annual report The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the Public Finance Management Act. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.	2012/13	Resolved. An action plan developed to address the finding.
4.3.4	<b>Revenue management</b> The CEO did not establish systems, procedures and processes to ensure efficient and effective cash management, including, collecting revenue when it is due, pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable are collected, and accurately forecasting the institution's cash flow requirements, as required by TR 15.10.1.1, and TR 15.10.1.2	2012/13	The CEO tasked with ensuring oversight regarding Revenue management.
5.	<b>Internal control</b> The Auditor General is considered with regards to internal control relevant to the audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.		
6.	<b>Leadership</b>		
6.1	A lack of oversight by management relating to failure to ensure compliance with laws and regulations based on the non-compliance identified due the misstatements in the financial statements and annual performance report in the current year and non-adherence to National Treasury supply chain related regulations.	2012/13	The Department takes note of the Auditor General's recommendation
6.2	The accounting officer did not ensure that the chief financial officer's role was filled timeously, which resulted in multiple internal control breakdowns during the year.	2014/15	The Department takes note of the Auditor General's recommendation
6.3	The Supported Employment Enterprises developed a plan to address prior year internal and external audit findings, but adherence to the plan was not adequately monitored on a timely basis by the appropriate level of management. As a result a number of deficiencies reported in the prior year recurred in the current year.	2014/15	The Department takes note of the Auditor General's recommendation
7.	<b>Financial and performance management</b>		
7.1	Management did not ensure that staff members were adequately trained to apply proper procedures to facilitate sound record management.	2012/13	Resolved. An action plan developed to address the finding.
	Management did not ensure all monthly controls were functioning adequately resulting in misstatements due to incorrect fixed overhead costing of stock and bank reconciliations that were not performed daily.	2012/13	Resolved. An action plan developed to address the finding.
	Non-compliance with the PFMA, treasury regulations and Standards of GRAP resulted in material misstatements. Furthermore deficiencies were noted regarding the reporting of predetermined objectives and compliance.	2012/13	Resolved. An action plan developed to address the finding.
8.	<b>Governance</b>		
8.1	Risk management processes were inadequate to identify and monitor risks relating to the achievement of financial and performance reporting objectives.	2013/14	The Department takes note of the Auditor General's recommendation. The CEO has been tasked with oversight to ensure adequate risk management

## 6.4 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SUPPORTED EMPLOYMENT ENTERPRISES

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the Supported Employment Enterprise set out on pages 224 to 227, which comprise statement of financial position as at 31 March 2016, the statement of financial performance and other comprehensive income, statement of changes in net assets and statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### BASIS OF QUALIFIED OPINION

#### Cost of sales and inventories

6. The entity did not recognise all the purchase of materials in accordance with GRAP 12: inventories. The inventories recognised as an expense and cost of sales were understated by R8 689 637 (2015: R-unknown). Furthermore, material differences amounting R4 666 587 were identified between the inventories schedule and the amount disclosed in the financial statements. Consequently, I was unable to determine whether any adjustment was necessary with regard to:
  - Cost of sales of R128 072 912 (2015: R104 413 628); and
  - Inventories of R3 314 854 (2015: 11 658 756).

### Receivables and impairments

7. The entity had reviewed and assessed the provision for doubtful debts for receivables from exchange transactions, but did not perform it in accordance with GRAP 104: Financial instruments. I was unable to confirm this provision for doubtful debts by alternative means. Furthermore, material differences amounting R4 103 157 were identified between receivables age analysis and the amount disclosed in the financial statements. Consequently, I was unable to determine whether any adjustment relating to trade and other receivables from exchange transactions stated at R15 314 590 and impairments stated at R453 400 in the financial statements was necessary.

### Cash flow statement

8. I was unable to obtain sufficient appropriate audit evidence for amounts presented in the cash flow statement, as I was not provided with audit evidence to substantiate calculations for amount presented. I was unable to confirm cash flow amounts by alternative means. Consequently, I was unable to determine whether any adjustment was required to the cash flow statement.

### Qualified opinion

9. In my opinion, except for the effects for limitations and disagreements, and possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Supported Employment Enterprise as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

### Emphasis of matters

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

### Restatement of corresponding figures

11. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the year ended 31 March 2016 in the financial statements of the Supported Employment Enterprise.

### Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:
- Objective 1: An efficient, effective and development oriented public service and empowered, fair inclusive citizenship on pages 214 to 215
  - Objective 2: Decent employment through inclusive growth on pages 215 to 216.
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Objective 1: An efficient, effective and development oriented public service and empowered, fair inclusive citizenship
- Objective 2: Decent employment through inclusive growth.

#### Additional matters

18. I draw attention to the following matters:

#### Achievement of planned targets

19. Refer to the annual performance report on pages 214 to 216 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected objectives reported in paragraphs 13 to 17 of this report.

#### Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of objectives 2 and 3. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

#### Compliance with legislation

21. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

#### Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

#### Expenditure management

23. The accounting officer did not take effective steps to prevent irregular, fruitless and wasteful expenditure as required by section 38(1)(c) (ii) of the PFMA.

#### Revenue management

24. The account officer did not establish systems, procedures and processes to ensure efficient and effective cash management, including collecting revenue when it is due, pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable are collected, and accurately forecasting the institution's cash flow requirements, as required by treasury regulation 15.10.1.1 and 15.10.1.2.

#### Procurement and contract management

25. Goods and services with a transaction value of between R2 000 and R500 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of treasury regulation 16A6.1 and the requirement of practice note 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA.

### Internal control

26. I considered internal control relevant to my audit of the financial statements, annual performance report, and compliance with legislation. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified of opinion and the findings on compliance with legislation included in this report.

### Leadership

27. The CEO does not adequately review the monthly reports or the financial statements and management did not have sufficient monitoring controls to ensure the proper implementation of the overall process of planning indicators and targets on predetermined objectives to ensure achievement of planned performance.

28. The entity has an action plan to address prior year audit findings. However, sufficient time and action were not taken to monitor implementation thereof. As a result, repeat material findings, non-compliance issues and internal control deficiencies have been reported in the current year.

### Financial and performance management

29. The entity did not prepare regular, accurate and complete financial statements that are supported by reliable evidence and aligned to the financial reporting framework. This resulted in misstatements in the annual financial statements and annual performance report.

30. Management did not ensure that staff members are adequately trained to apply proper procedures to facilitate sound record management.

### Governance

31. Inadequate risk management processes to identify and monitor risks relating to the achievement of financial and performance reporting objectives

*Auditor General*

**Auditor-General**

Pretoria

31 July 2016



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## 6.5 ANNUAL FINANCIAL STATEMENTS

### 6.5.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

	Note	31-Mar-16	31-Mar-15 Restated
<b>Revenue from exchange transactions</b>			
Sale of goods and services	1	52 404 193	47 831 628
Cost of sales	2	(128 072 912)	( 104 413 733)
Gross profit		<b>(75 668 718)</b>	<b>(56 582 106)</b>
<b>Other Revenue from exchange transactions</b>			
Interest earned - external investments	3.1	1 573 538	605 683
Interest earned - outstanding receivables	3.2	443 746	230 725
Other income	3.3	818 782	656 073
<b>Revenue from non-exchange transactions</b>			
Transfers and sponsorships	4	135 050 000	91 132 000
Net Impairments	5	(453 400)	(4 150 332)
Operating expenses	6	(25 381 697)	(9 482 728)
Operating surplus		<b>36 382 251</b>	<b>22 409 316</b>
Finance costs	7	(170 688)	(526 625)
Surplus for the year		<b>36 211 563</b>	<b>21 882 691</b>
<b>Total Comprehensive Income / (Loss)</b>		<b>36 211 563</b>	<b>21 882 691</b>



## 6.5.2 STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Note	31-Mar-16	31-Mar-15 Restated
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>5 561 901</b>	<b>7 091 307</b>
Property, plant and equipment	8	5 561 901	7 091 307
<b>Current assets</b>		<b>209 162 186</b>	<b>53 800 907</b>
Inventories	9	3 314 854	11 658 756
Trade and other receivables	10	15 314 590	30 732 824
Cash and cash equivalents	11	190 532 742	11 409 327
<b>Total Assets</b>		<b>214 724 087</b>	<b>60 892 214</b>
<b>EQUITY AND LIABILITIES</b>			
Equity		84 645 386	45 916 972
Retained earnings		84 645 386	45 916 972
<b>Total NET ASSETS</b>		<b>84 645 386</b>	<b>45 916 972</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>		<b>63 373</b>	<b>266 747</b>
Non-current finance lease liability	12	63 373	266 747
<b>Current liabilities</b>		<b>130 015 329</b>	<b>14 708 495</b>
Trade and other payables	13	128 590 288	11 935 775
Deferred income	14	1 239 622	1 239 622
Current portion of finance lease liability	12	185 419	1 533 098
<b>Total Liabilities</b>		<b>130 078 701</b>	<b>14 975 242</b>
<b>Total Equity and Liabilities</b>		<b>214 724 087</b>	<b>60 892 214</b>

## 6.5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016

	Retained earnings	Total equity
	R	R
<b>Balance at 1 April 2014</b>	<b>24 034 281</b>	<b>24 034 281</b>
Total comprehensive income/(loss) for the year	21 882 691	21 882 691
<b>Balance at 31 March 2015</b>	<b>45 916 972</b>	<b>45 916 972</b>
Prior period adjustments	2 516 851	2 516 851
<b>Restated balance at 31 March 2015</b>	<b>48 433 823</b>	<b>48 433 823</b>
Total comprehensive income/(loss) for the year	36 211 563	36 211 563
<b>Balance at 31 March 2016</b>	<b>84 645 386</b>	<b>84 645 386</b>

## 6.5.4 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2016

	Note	31-Mar-16 R	31-Mar-15 R Restated
<b>Cash flow from operating activities</b>			
Cash receipts from customers		318 736 491	108 045 802
Cash paid to suppliers and employees		(137 948 136)	(97 238 652)
Cash generated from operations	15	180 788 355	10 807 150
Interest income		1 573 538	605 683
Finance costs		(170 688)	(526 625)
<b>Net cash flows from operating activities</b>		<b>182 191 205</b>	<b>10 886 208</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(1 474 501)	(493 335)
Proceeds on disposal of property, plant and equipment		(4 721)	44 888
<b>Net cash flows from investing activities</b>		<b>(1 479 222)</b>	<b>(448 447)</b>
<b>Cash flows from financing activities</b>			
Leases		(1 588 568)	(1 480 447)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>179 123 415</b>	<b>8 957 314</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>11 409 327</b>	<b>2 452 013</b>
<b>Cash and cash equivalents at end of the year</b>	11	<b>190 532 742</b>	<b>11 409 327</b>

## 6.5.5 ACCOUNTING POLICIES

### 1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP), including the interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

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

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

The principal accounting policies, applied in the preparation of these Annual Financial Statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements.

### 2. PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand which is the functional currency of the entity and have been rounded off to the nearest thousand.

### 3. GOING CONCERN ASSUMPTION

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

### 4. COMPARATIVE INFORMATION

#### 4.1. CURRENT YEAR COMPARATIVES (BUDGET)

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these annual financial statements.

#### 4.2. PRIOR YEAR COMPARATIVES

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and /or restatement is not required by the standard of GRAP.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

## 5. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards of GRAP have been issued by the Accounting Standards Board but have not been given an effective date by the Minister. The entity has not early adopted these standards but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

- |   |
|---|
| 1. GRAP 20 - Related Party Disclosures                |
| 2. GRAP 32 - Service Concession Arrangements: Grantor |
| 3. GRAP 108 - Statutory Receivables                   |
| 4. GRAP 109 - Accounting Principals and Agents        |

## 6. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgments, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

### 6.1. JUDGMENTS

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

### 6.2. ESTIMATES

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

In the process of applying the entity's accounting policies the following estimates, were made:

#### 6.2.1. Provisions

Provisions are recognised in the statement of financial position when:

- SEE has a present legal obligation as a result of a past event and
- it is probable that an outflow of economic benefits will be required to settle the obligation

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate which reflects current market assessments of the time value of money and where appropriate, the risk specific to the liability.

#### 6.2.2. Depreciation

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

**The estimated useful lives are:**

Asset class	Years
Plant and Machinery	10 - 15
Office Furniture & Fittings	12 - 15
Computer Equipment	3 - 5
Appliances	5 - 8
Office equipment	8 - 10
Leased Assets	3 - 5

**6.2.3. Effective interest rate**

The entity uses an appropriate interest rate, taking into account guidance provided in the standards, and applying professional judgment to the specific circumstances, to discount future cash flows. The entity used the following in arriving at the effective interest rate used:

No Inputs related to the consideration	Consideration
1 Prime rate of lending	Base rate used as a starting point

**6.2.4. Allowance for doubtful debts**

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorization of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilization of estimates, assumptions and management judgments. In determining this allowance the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

**6.2.5. Impairments of assets**

The carrying amounts of SEE's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired; its recoverable service amount is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the asset's remaining service potential.

This is determined using the depreciated replacement cost method. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

**7. FINANCIAL INSTRUMENTS****7.1. INITIAL RECOGNITION AND MEASUREMENT**

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

Financial assets are derecognised if the entity's contractual rights to the cash flows from the financial assets expire or if SEE transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Authority's obligations specified in the contract expire or are discharged or cancelled.

## 7.2. GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT

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

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

## 7.3. OFFSETTING

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

## 7.4. CASH AND CASH EQUIVALENTS

Cash consists of balances on current and call account and cash on hand with the banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at reporting date. The entity categorises cash and cash equivalents as financial assets: loans and receivables.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

## 7.5. TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

## 7.6. TRADE AND OTHER PAYABLES

Trade payables consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost which is initial carrying amounts, less repayments, plus interest. .

## 8. INVENTORIES

### 8.1. INITIAL RECOGNITION AND MEASUREMENT

Inventories consist of raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. The cost of manufactured inventory includes the cost of labour, materials and overheads used during the manufacturing process excluding discounts received.

## 8.2. SUBSEQUENT MEASUREMENT

The carrying amount of inventories is recognised as an expense (where as direct cost are released to cost of sales) in the period in which the related revenue is recognised, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs. Discount received are recognised as a reduction to the cost of raw materials purchased.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## 9. PROPERTY, PLANT AND EQUIPMENT

### 9.1. INITIAL RECOGNITION AND MEASUREMENT

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

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

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

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

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

### 9.2. SUBSEQUENT MEASUREMENT AND DEPRECIATION

Property, plant and equipment's are subsequently carried at cost less accumulated depreciation and impairments. The cost of an asset is depreciated over the estimated useful life.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.



### 9.3. DERECOGNITION

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 on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## 10. EMPLOYEE BENEFITS

### 10.1. SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

### 10.2. DEFINED CONTRIBUTION PLANS

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

### 10.3. DEFINED BENEFIT PLANS

Pursuant to the entity's obligation to fund the post-employment benefits provided through a defined benefit plan, the entity recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value assets held to finance those benefits, the entity recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the entity recognises as defined benefit asset. Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the entity nor can they be paid directly to the entity.

Plan assets included in the defined benefit plan asset or liability recognised are measured at their fair values. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of any defined benefit asset recognised is limited to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The plan liabilities are measured at the present value of the future benefits payable. This present value of the plan liabilities is determined through actuarial valuation techniques.

The entity operates one defined benefit pension plans, all of which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan, using the projected unit credit method.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

## 11. LEASES

### 11.1. THE ENTITY AS LESSEE

#### 11.1.1. Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. The aggregate benefit of incentives of operating lease is recognised as a reduction of rental expense on a straight-line basis over the term of the relevant lease.

## 12. REVENUE

### 12.1. REVENUE FROM EXCHANGE TRANSACTIONS

Revenue comprise of sale of manufactured furniture, metal products, textile and canteen items. Whereas services rendered comprise of bookbinding and other services. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, VAT and other similar allowances.

#### Sale of manufactured items:

Revenue from the sale of goods is recognised when substantially all the risks and rewards of ownership of the goods have passed to the consumer.

Revenue from rendering bookbinding, textile and other services: Revenue is recognised when the service has been rendered and they become due and payable.

#### 12.1.1. FINANCE INCOME

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the entity

### 12.2. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Any Government or International donor grant is initially recognised in the statement of financial position as deferred revenue when there is reasonable assurance that the conditions attached to it will be complied with and that the grant will be received

#### 12.2.1. Subsequent to initial recognition:

- Grants for the purpose of giving immediate financial support with no future related costs are recognised in the statement of financial performance in the period in which they become receivable
- Grants that compensate the entity for expenses or losses incurred are recognised as revenue in the statement of financial performance on a systematic basis in the same periods in which the expenses or losses are incurred.
- Grants received that carry any restrictions or conditions as to the use thereof are held in a deferred revenue account until such

time as the conditions or stipulations related thereto have been fulfilled or a repayment has been made. Effectively each grant is assessed to determine if any liability exists and if so, the grant is recorded as deferred revenue until such time as there is no longer any liability by the entity that relates to that grant.

- The entity receives a grant from the Department of Labour (Controlling Entity) to subsidise operating expenses no conditional or international grants were received in the current year. All grants received were recognised in the statements of financial performance at the fair value of the amount received upon receipt of the grant.

### 13. GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT

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

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

### 14. COMMITMENT, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

SEE does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

### 15. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 17. RECOVERY OF IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

The recovery of irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of unauthorized, irregular, fruitless and wasteful expenditure is treated as other income.

### 18. RELATED PARTIES

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

## 6.5.5 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R <i>Restated</i>
<b>1. Revenue from exchange transactions</b>		
Revenue from sale of goods	48 973 356	46 007 347
Revenue from services rendered	3 430 837	1 824 281
	<b>52 404 193</b>	<b>47 831 628</b>
<b>2. Cost of Inventory</b>		
Raw Material Purchases	39 640 679	46 830 048
Cost of sales of finished goods	42 214 628	39 560 842
Cost of sales	36 318 515	32 739 264
Opening inventory	12 187 396	19 008 974
Closing inventory	(6 291 283)	(12 187 396)
Raw Materials write-down to net realisable value	2 021 721	155 478
Reversal of inventory write-down	-	-
Under-recovery of fixed production overhead costs	44 195 884	17 867 365
Abnormal Spillage of raw material	-	-
Inventory stolen	-	-
Total Cost of Inventory	<b>128 072 912</b>	<b>104 413 733</b>
<b>3.1 Interest earned - external investments</b>		
Bank	1 573 538	605 683
	<b>1 573 538</b>	<b>605 683</b>
<b>3.2 Interest earned - outstanding receivables</b>		
Interest earned on outstanding Debtors	443 746	230 725
Interest due to fair value adjustment on debtors	-	-
	<b>443 746</b>	<b>230 725</b>
<b>3.3 Other Income from exchange transactions</b>		
Deferred revenue recognised 14.	-	-
Commission received	37 370	32 452
Canteens Revenue	484 327	362 858
Discounts Received	297 086	260 763
	<b>818 782</b>	<b>656 073</b>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R Restated
<b>4. Revenue from non-exchange transactions</b>		
Department of Labour Transfer	135 050 000	91 132 000
	<b>135 050 000</b>	<b>91 132 000</b>
<b>5. Net Impairments</b>		
Impairment on trade and other receivables	1 568 321	(3 994 854)
Write down of inventory to net realisable value	(2 021 721)	(155 478)
	<b>(453 400)</b>	<b>(4 150 332)</b>

Management assess at each reporting date whether there is any indication that trade and other receivables may be impaired. In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large.

“Inventories are usually written down to net realisable value on an item by item basis. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of the future economic benefits or service potential expected to be realised from their sale, exchange, distribution or use. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise.”

<b>6. Operating expenses</b>		
Advertising	(434 514)	(144 007)
Auditor's remuneration 6.1	(1 326 161)	(1 377 943)
Bank Charges	(185 408)	(157 831)
Professional fees	(584 397)	(1 241 378)
Depreciation on property, plant and equipment	(2 995 409)	(3 006 583)
Employee costs	(94 443 123)	(52 535 557)
Transfer to Cost of Sales	84 154 224	57 249 463
Entertainment	(25 212)	(59 648)
Loss on disposal of assets	4 721	(44 888)
IT expenses	(947 303)	(1 040 544)
Printing and stationary	<b>(518 320)</b>	<b>(400 370)</b>
Repairs and maintenance	<b>(2 220)</b>	-
Security	<b>(1 669 305)</b>	<b>(1 495 714)</b>
Telephone and fax	<b>(1 518 805)</b>	<b>(1 587 824)</b>
Training	<b>(45 877)</b>	<b>(107 073)</b>
Transport and freight	<b>(4 632 595)</b>	<b>(3 438 590)</b>
Travel local	<b>(211 993)</b>	<b>(94 241)</b>
	<b>(25 381 697)</b>	<b>(9 482 728)</b>
<b>6.1 Auditors remuneration</b>		
Fees	<b>(1 326 161)</b>	<b>(1 377 943)</b>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R Restated
<b>7. Finance Costs</b>		
Interest charge on finance leases	(93 239)	(217 531)
Other interest paid	(77 449)	(309 095)
	<b>(170 688)</b>	<b>(526 625)</b>

	31-Mar-16 R	31-Mar-15 R
<b>8. Property, plant and equipment</b>		
<i>Carrying amounts of:</i>		
Plant and machinery	3 688 294	4 685 332
Furniture and fixtures	480 557	535 689
Office equipment	94 246	106 601
Computer equipment	1 039 590	225 279
Appliances	46 401	33 240
Leased assets	212 812	1 505 166
	<b>5 561 901</b>	<b>7 091 307</b>

	Plant and machinery R	Furniture and Fittings R	Office equipment R	Computer equipment R	Appliances R	Leased assets R	Total R
<i>Cost / Valuation</i>							
<b>Balance at 31 March 2014</b>	<b>16 413 307</b>	<b>1 887 100</b>	<b>451 381</b>	<b>1 621 706</b>	<b>159 562</b>	<b>4 630 477</b>	<b>25 163 533</b>
Additions	359 609	15 361	-	111 974	6 391	239 375	732 710
Disposals	-141 207	-650	-135	-13 329	-100	-26 771	-182 192
<b>Balance at 31 March 2015</b>	<b>16 631 709</b>	<b>1 901 811</b>	<b>451 246</b>	<b>1 720 351</b>	<b>165 853</b>	<b>4 843 081</b>	<b>25 714 051</b>
Additions	71 911	114 106	120 481	1 136 017	31 985	37 515	1 512 016
Disposals	-326 904	-9 912	-12 448	-169 937	-250	-101 149	-620 600
<b>Balance at 31 March 2016</b>	<b>16 376 717</b>	<b>2 006 005</b>	<b>559 279</b>	<b>2 686 431</b>	<b>197 588</b>	<b>4 779 446</b>	<b>26 605 466</b>
<i>Accumulated depreciation</i>							
<b>Balance at 31 March 2014</b>	<b>10 817 058</b>	<b>1 162 894</b>	<b>301 850</b>	<b>1 369 435</b>	<b>115 118</b>	<b>1 895 513</b>	<b>15 661 868</b>
Eliminated on disposal of assets	-9 119	-461	-70	-9 208	-76	-26 771	-45 706
Depreciation expense	1 138 437	203 689	42 866	134 846	17 572	1 469 173	3 006 583
<b>Balance at 31 March 2015</b>	<b>11 946 376</b>	<b>1 366 122</b>	<b>344 646</b>	<b>1 495 073</b>	<b>132 614</b>	<b>3 337 914</b>	<b>18 622 745</b>
Eliminated on disposal of assets	-311 706	-103 858	88 239	-145 907	-208	-101 149	-574 587
Depreciation expense	1 053 752	263 185	32 148	297 675	18 780	1 329 869	2 995 409
<b>Balance at 31 March 2016</b>	<b>12 688 423</b>	<b>1 525 449</b>	<b>465 033</b>	<b>1 646 841</b>	<b>151 187</b>	<b>4 566 634</b>	<b>21 043 567</b>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R Restated
<b>9. Inventories</b>		
Raw materials and components	3 524 198	9 896 175
Work in progress	641 827	425 027
Finished goods	2 125 258	1 866 193
	<u>6 291 283</u>	<u>12 187 396</u>
Inventory write downs to net realizable value	(2 976 429)	(528 640)
Value of inventory carried at fair value less costs to sell	<u><b>3 314 854</b></u>	<u><b>11 658 756</b></u>

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

**10. Trade and other receivables**

Trade receivables		22 794 845	39 510 814
Provision for doubtful debts	<b>10.2</b>	(7 481 701)	(9 050 022)
Age of receivables that are due but not impaired	<b>10.1</b>	15 313 144	30 460 792
VAT receivable		-	-
Sundry debtors		246	272 032
Deposits Paid		1 200	-
		<u>15 314 590</u>	<u>30 732 824</u>

Trade receivables which are less than three months past due date are not considered to be impaired. At 31 March 2016, R19 347 177 (2015 - R80 460 792 ) was past due but not impaired. Trade receivables which have not been impaired are considered collectable.

**10.1 Age of receivables that are due but not impaired**

Current (0 – 30 days)		2 979 261	3 615 000
31 - 60 Days		918 940	389 000
61 - 90 Days		575 373	254 000
91 - 120 Days		1 292 879	1 122 000
Greater than 120 days		9 546 690	25 080 792
		<u><b>15 313 144</b></u>	<u><b>30 460 792</b></u>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R <i>Restated</i>
<b>10.2 Age of impaired trade receivables</b>		
Greater than 120 days 10.2.1	7 481 701	9 050 022
	<b>7 481 701</b>	<b>9 050 022</b>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The entity does not hold any collateral as security.

**10.2.1 Reconciliation of the doubtful debt provision**

Balance at beginning of the year	9 050 022	5 056 468
Contributions to provisions	7 481 701	3 993 554
Amounts written off during the year as uncollectible	-	-
Reversal of provision	( 9 050 022)	-
Increase/Decrease in provision	-	-
<b>Balance at end of the year</b>	<b>7 481 701</b>	<b>9 050 022</b>

In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large.

**11. Cash and cash equivalents**

Bank balances	190 509 742	11 386 327
Cash on hand	23 000	23 000
	<b>190 532 742</b>	<b>11 409 327</b>

**11.1 Significant cash and cash equivalent balances held by the entity that are not available for use by the entity.**

The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met.

	<b>1 239 622</b>	<b>1 239 622</b>
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**12. Finance lease liability**

The entity leases certain of its office equipment and motor vehicles in terms of finance leases. The entity does not have the option to acquire the assets at the termination of the lease. The average lease term is between 3 and 5 years and the average effective borrowing rate is 9%. Interest rates are linked to prime at the contract date. All the leases have fixed repayments.

*Amounts payable under finance leases:*

Finance lease liability - Minimum lease payments

No later than 1 year	205 692	1 625 499
Later than 1 year and no later than 5 years	65 156	285 706
Later than 5 years	-	-
Future Finance charges on finance leases	(22 057)	( 111 361)
<b>Present Value of finance lease liability</b>	<b>248 791</b>	<b>1 799 845</b>



## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

		2016 R	2015 R Restated
<i>Present Value of Minimum Lease Obligations:</i>			
No later than 1 year		185 419	1 533 098
Later than 1 year and no later than 5 years		63 373	266 747
Later than 5 years		-	-
		<b>248 791</b>	<b>1 799 845</b>
<b>13. Trade and other payables</b>			
Trade payables		2 404 007	4 182 971
Accruals		5 699 830	1 807 727
Income received in advance		117 209 863	3 884 779
VAT payable		537 922	52 877
Accrued leave pay	<b>13.1</b>	739 839	692 489
Provision for long service allowance	<b>13.2</b>	1 875 717	935 355
Stabilisation fund	<b>13.3</b>	106 541	106 541
Outstanding cheques		16 569	273 037
		<b>128 590 288</b>	<b>11 935 775</b>
<b>13.1 Accrued Leave Pay</b>			
The accrued leave pay is reviewed at year - end and adjusted to reflect the current best estimates			
<b>13.2 Provision for long service allowance</b>			
The provision for long service allowance is reviewed at year-end and adjusted to reflect the current best estimates			
Provision for long service allowance is calculated at One Rand ( R1,00) for very week worked. Accumulated long service is only payable on retirement or resignation			
<b>13.3 Stabilisation Fund</b>			
During 2010, SEE received a refund of R3,210,268 from the Civil Pensions Stabilization Account (CPSA) for Stabilisation Fund contributions collected from Temporary Employees Pension Fund members after 1 July 1999 plus interest. The employer contribution (R2,407,700) was surrendered to the Revenue Fund and the employee contribution part (R802,568) had to be refunded to the members. The full amount of employee contributions could not be refunded to all the members due to the fact that some of the old members could not be traced. The outstanding amount of R 106 541 is accounted for in the Stabilisation Fund account of SEE.			
<b>14. Deferred income</b>			<b>Restated</b>
Balance at beginning of the year		1 239 622	1 239 622
Conditions met and recognised as revenue	<b>2</b>	-	-
Balance at end of the year		<b>1 239 622</b>	<b>1 239 622</b>
Balance at end of year relates to the following projects:			
Business case project		111 325	111 325
Other special projects		1 128 297	1 128 297
		<b>1 239 622</b>	<b>1 239 622</b>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

		2016 R	2015 R Restated
<b>15. Cash generated from operations</b>			
(Loss) / profit for the year		36 211 563	21 882 691
<b>Adjustments for:</b>		<b>4 160 143</b>	<b>3 029 282</b>
Depreciation on property, plant and equipment	4.2	2 995 409	3 006 583
Interest income		(1 573 538)	(605 683)
Finance costs		170 688	526 625
Write down of inventory expense		2 021 721	155 478
Impairment on trade and other receivables		1 568 321	(3 994 854)
Finance lease instalments		(1 588 568)	(1 480 447)
Prior period error on sales		561 389	5 466 468
Loss on disposal of assets		4 721	(44 888)
Recovery of depreciation		-	-
<b>Operating surplus before working capital changes:</b>		<b>140 416 649</b>	<b>(14 104 823)</b>
(Increase)/decrease in inventories		8 343 902	7 350 218
(Increase)/decrease in trade and other receivables		15 418 234	(7 608 826)
(Increase)/decrease in prepayments		-	-
Increase/(decrease) in trade and other payables		116 654 513	(13 846 215)
Increase/(decrease) in deferred income		-	-
		<b>180 788 355</b>	<b>10 807 150</b>
<b>16. Defined contribution plan</b>			<b>Restated</b>
Included in employee costs are the following:			
Pension fund		22 085	25 960
Provident fund		4 043 964	3 211 085
		<b>4 066 049</b>	<b>3 237 046</b>

The SEE started participating in the Textile Industry Provident Fund with effect from 01 November 2009. The employer contributes 9% of salary on behalf of each employee and the employees contribute 7%.

Only one employee, Ms L Scheepers is contributing to the Temporary Pension Fund. The employer is contributing 2,74834% and the employee contributes 5%.

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R <i>Restated</i>
<b>17. RELATED PARTIES</b>		
All transactions below were made in terms of equivalent to those in arm's length transactions unless stated otherwise.		
<b>17.1 Related Party Relationships</b>		
SEE is an entity controlled by the Department of Labour, the Accounting Officer of SEE is the Director-General of the Department of Labour. The Department of Labour has control and significant influence on the operations of SEE as defined in IPSAS 20: Related Parties		
<b>Controlling Entity:</b>	Department of Labour	
<b>Entities with common control:</b>	Compensation Fund (CF) Commission for Conciliation, Mediation and Arbitration (CCMA) National Economic Development and Labour Council (DEDLAC) Productivity South Africa (PSA) Unemployment Insurance Fund (UIF)	
The above listed entities are all related parties as they are under common control by the Department of Labour.		
SEE is a related party to Key Management Personnel and close family members of Key Management Personnel		
<b>17.2 Related Party Transactions</b>		
Sale of goods to Government Departments and entities	46 792 555	43 990 546
Sale of goods to SEE CEO	528	-
Sale of goods to SEE CFO	-	-
Sale of goods to SEE EMPLOYEES	44 865	2,233
Transfers - Department of Labour subsidy	135 050 000	91 132 000
	<b>181 887 948</b>	<b>135 124 780</b>
<b>17.3 Related Party Balances</b>		
<b>Trade and Other Receivables:</b>		
Department of labour	1 032 934	504 190
Compensation fund	116 578	-
Unemployment Insurance Fund	2 805 821	-
	<b>3 955 333</b>	<b>504 190</b>
<b>17.4. Key Management Information</b>		
<b>17.4.1 Mr S Nondwangu - Chief Executive Officer</b>		<b>Restated</b>
<b>(Appointed 01 August 2013)</b>		
Basic Salary	713 899	691 706
Expenses allowances	305 957	24 704
Performance award	-	-
	<b>1 019 855</b>	<b>716 410</b>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R Restated
<b>17.4.2 Mr S Ngongo - Chief Financial Officer</b>		
<b>(Appointed January 2016)</b>		
Basic Salary	151 231	-
Expenses allowances	32 551	-
Performance award	-	-
	<b>183 782</b>	<b>-</b>
<b>17.4.3 Ms Gladys Manamela - Director Operations</b>		
<b>(Appointed August 2015)</b>		
Basic Salary	431 624	-
Expenses allowances	149 381	-
Performance award	-	-
	<b>581 005</b>	<b>-</b>
<b>17.4.4 Ms Ella Ntshabele - Director : Governance and Assurance</b>		
<b>(Appointed September 2015)</b>		
Basic Salary	311 605	-
Expenses allowances	167 228	-
Performance award	-	-
	<b>478 834</b>	<b>-</b>
<b>17.4.5 Ms Kefiloe Tselane - Director : HRM and Special Projects</b>		
<b>(Appointed October 2015)</b>		
Basic Salary	271 099	-
Expenses allowances	117 768	-
Performance award	-	-
	<b>388 867</b>	<b>-</b>
<b>17.5 Services in Kind: Administrative Salaries : Department of Labour</b>		
The Department of Labour seconded administrative staff to the SEE	<b>5 657 000</b>	<b>26 925 000</b>
<b>17.6 Services in Kind: Internal audit - Department of Labour</b>		Restated
The Department of Labour renders internal audit services to the SEE	<b>197 964</b>	<b>328 535</b>
<b>17.7 Services in Kind: Premises - Department of Labour</b>		
The Department of Labour pay lease rentals to the Department of Public Works on behalf of SEE	-	-

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R <i>Restated</i>
<b>17.8 Services in Kind: Capital Expenditure - Department of Labour</b>		
The Department of Labour incurred capital expenditure on behalf of Supported Employment Enterprises	<u>3 260 620</u>	<u>1 214 000.00</u>
<b>18. Compensation to key management personnel: Compensation Fund</b>		
The Compensation Fund paid salaries and wages for two key management personnel from 01 September 2015 on behalf of Supported Employment Enterprises	<u>867 701</u>	<u>-</u>
<b>19. Irregular expenditure</b>		
Reconciliation of Irregular Expenditure:		<b>Restated</b>
Opening balance	16 095 486	384 943
Irregular Expenditure current year	1 719 881	16 086 543
Condoned or written off by accounting officer	( 17 710 355)	( 376 000)
Transferred to receivables for recovery - not condoned	-	-
<b>Closing balance</b>	<u>105 013</u>	<u>16 095 486</u>
<p>Irregular expenditure relates to expenditure incurred through procurement from sole suppliers by means other than tender procedures without accounting officer authorisation of this deviation, procurement without requesting the number of quotes as required by Treasury Regulations and procurement without acquiring the necessary tax clearance certificates.</p>		
<b>20. Fruitless and Wasteful Expenditure</b>		
Opening balance	280 509	<b>Restated</b> 902 000
Fruitless and wasteful expenditure – relating to current year 17.1	40 114	280 509
Fruitless and wasteful expenditure – relating to prior year 19.2		
Less: Amounts condoned	(280 509)	(902 000)
<b>Fruitless and wasteful expenditure awaiting condonement</b>	<u>40 114</u>	<u>280 509</u>
<b>20.1 Detail of fruitless and wasteful expenditure current year</b>		
Interest incurred on late payment of accounts	<u>40 114</u>	<u>280 509</u>
	<u>40 114</u>	<u>280 509</u>

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R <i>Restated</i>
<b>21. Commitments</b>		
SEE has the following contractual commitments that it has entered into for the coming financial years		
Purchase Orders (Suppliers)	1 534 798	196 387
Contractual Commitments:		
Financial Lease Contracts	248 791	1 911 205
Security Services	121 558	2 232 000
	<b>1 905 147</b>	<b>4 339 592</b>

The commitments are reviewed at year-end and adjusted to reflect the current best estimates.

**22. PRIOR PERIOD ERROR**

Based on the audit findings, prior year adjustments were made and 2014/15 AFS were restated

The adjustments affected the following accounts:

**22.1.** A journal had to be posted, this resulted in an increase in Cost of Sales and a decrease in Inventory

Increase Cost of Sales	2 617 460
Decrease Inventory	2 617 460

*Adjusting understatement of Cost of sales after a thorough review of the audit finding.* Whilst reviewing the costing of overheads AGSA noted that the labour recovery rate used by SEE is incorrect. The formula used by management was: (Total fixed cost and other cost/100/number of minutes) however AGSA identified the correct formula as follows: (Employee gross wages/ number of available hours per month / 60).

This had an impact on the amounts disclosed on the financial statements for inventory, cost of sales and employee costs. These amounts had been incorrectly included in employee costs and not costed to the cost of sales and inventory amounts. The journal was posted to allocate the Cost of Sales and Adjust Inventory balances

**22.2.** A journal had to be posted, this resulted in an increase in Cost of Sales and a decrease in Inventory

Increase Cost of Sales	285 446
Decrease Inventory	285 446

*Adding Cost of Sales to Revenue raised in March 2015*

AGSA made a finding on the transactions that the journal for the increase in cost of sales and related decrease in inventory was not raised for goods which were sold during the financial year. This had a significant impact on the cost of sales and inventory line items on the financial statements.

A journal was posted to adjust the Cost of Sales and Inventory to be consistent to the sale transaction

## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

**23 FINANCIAL INSTRUMENTS****23.1 Classification****23.1.1 Financial assets**

In accordance with GRAP 104 the Financial Assets of the entity are classified as follows:

**Financial Assets****Classification****Receivables**

Trade receivables	Loans and receivables
VAT receivable	Loans and receivables
Sundry debtors	Loans and receivables

**Bank, Cash and Cash Equivalents**

Bank Balances	Held for trading
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***Summary of financial assets*****Receivables**

Trade receivables (incl doubtful debt provision)	Loans and receivables	15 313 144	30 460 792
VAT receivable	Loans and receivables	-	-
Sundry debtors	Loans and receivables	246	272 032
		<b>15 313 390</b>	<b>30 732 824</b>

**Held for trading**

Bank Balances and Cash	Bank Balances	190 532 742	11 409 327
		<b>190 532 742</b>	<b>11 409 327</b>

**Total Financial Assets**

	<b>205 846 132</b>	<b>42 142 151</b>
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## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

**23.1.2 Financial liabilities**

In accordance with GRAP 104 the Financial Liabilities of the entity are classified as follows:

<u>Financial Liabilities</u>	<u>Classification</u>
<b>Long-term Liabilities</b>	
Non-current finance lease liability	Financial liabilities at amortised cost
<b>Creditors</b>	
Trade payables	Financial liabilities at amortised cost
Accruals	Financial liabilities at amortised cost
Income received in advance	Financial liabilities at amortised cost
VAT payable	Financial liabilities at amortised cost
Accrued leave pay	Financial liabilities at amortised cost
Stabilisation fund	Financial liabilities at amortised cost
Unreconciled receipts	Financial liabilities at amortised cost
Outstanding cheques	Financial liabilities at amortised cost

**Current Portion of Long-term Liabilities**

Current portion of finance lease liability      Financial liabilities at amortised cost

**Summary of financial liabilities****Financial Liabilities at Amortised Cost**

Long-term Liabilities	Non-current finance lease liability	63 373	266 747
Current Portion of Long-term Liabilities	Current portion of finance lease liability	185 419	1 533 098
Creditors	Trade payables	2 404 007	4 182 971
Creditors	Accruals	5 699 830	1 807 727
Creditors	Income received in advance	117 209 863	3 884 779
Creditors	VAT payable	537 922	52 877
Creditors	Accrued leave pay	739 839	692 489
Creditors	Accrued back pay	-	-
Creditors	Stabilisation fund	106 541	106 541
Creditors	Unreconciled receipts	-	-
Creditors	Outstanding cheques	16 569	273 037
Creditors	Unidentified deposits	-1 200	-
		<b>126 962 163</b>	<b>12 800 265</b>
<b>Total Financial Liabilities</b>		<b>126 962 163</b>	<b>12 800 265</b>



## SUPPORTED EMPLOYMENT ENTERPRISES | NOTES TO THE ANNUAL FINANCIAL STATEMENTS | FOR THE YEAR ENDED 31 MARCH 2016

**23.2 Fair Value**

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- The Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices
- The Fair Value of other Financial Assets and Financial Liabilities is determined in accordance with generally accepted valuation techniques based on discounted cash flow analysis using interest rates currently charged or paid by other parties and the remaining term to repayment of the interest
- The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2012, as a result of the short-term maturity of these assets and liabilities.

<b>31 March 2016</b>	<b>Carrying Amount R</b>	<b>Fair Value R</b>
<b>Financial Assets</b>		
<b>Loans and Receivables</b>		
Trade receivables (incl doubtful debt provision)	15 313 390	15 313 390
<b>Held for trading</b>		
Bank Balances and Cash	190 532 742	190 532 742
<b>Total Financial Assets</b>	<b>205 846 132</b>	<b>205 846 132</b>
<b>Financial liabilities</b>		
<b>Financial Liabilities at Amortised Cost:</b>		
Long-term Liabilities	63 373	63 373
Current Portion of Long-term Liabilities	185 419	185 419
Creditors	126 714 571	126 714 571
<b>Total Financial Liabilities</b>	<b>126 963 363</b>	<b>126 963 363</b>
<b>31 March 2015</b>		
	<b>Carrying Amount R</b>	<b>Fair Value R</b>
<b>Financial Assets</b>		
<b>Loans and Receivables</b>		
Trade receivables (incl doubtful debt provision)	30 732 824	30 732 824
<b>Held for trading</b>		
Bank Balances and Cash	11 409 327	11 409 327
<b>Total Financial Assets</b>	<b>42 142 151</b>	<b>42 142 151</b>

**Financial liabilities****Financial Liabilities at Amortised Cost:**

Long-term Liabilities	266 747	266 747
Current Portion of Long-term Liabilities	1 533 098	1 533 098
Creditors	11 000 420	11 000 420
<b>Total Financial Liabilities</b>	<b>12 800 265</b>	<b>12 800 265</b>

**23.3 Financial Risk Management Objectives**

Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The entities finance department monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

**23.4 Significant Accounting Policies**

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

**23.5 Market Risk**

The entity's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**23.6 Interest Rate Risk**

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. There was no change in the entity's interest rate risk management policy during the period.

All financial instruments attract interest at rates linked directly to the prime bank overdraft rate. The effective interest rate used by the entity is the prime interest rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of entity debtors management policy.

All trade receivables and other debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

**Interest Rate Sensitivity Analysis**

As the entity has no significant interest risk exposure at financial year end, the effect of a 1% strengthening or weakening of the prime interest rate at reporting date is not considered material.

**23.7 Liquidity risk**

Sufficient cash is maintained to manage the entity's liquidity risk. Limitations are imposed by Treasury Regulations 32 to the Public Finance Management Act, 1999 (Act 1 of 1999) on borrowings, which limits the committed lines of credit available to entity.

**23.8 Credit risk**

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

Trade debtors consist mainly of government departments of which surety vests in the National Treasury for any such debts owing. Other debtors comprise private sector trade debtors and staff debtors.

	2016	2015
	R	R
Maximum credit and interest risk exposure in respect of financial instruments is as follows:		
Trade and other receivables	15 313 390	30 732 824
Bank balances and cash	190 532 742	11 409 327
<b>Maximum Credit and Interest Risk Exposure</b>	<b>205 846 132</b>	<b>42 142 151</b>

**24. CAPITAL COMMITMENTS**

No capital commitments are recorded for the period

**25. EVENTS AFTER THE REPORTING PERIOD**

No events after reporting period

**26. CONTINGENT LIABILITIES**

There are no contingent liabilities

**27. CONTINGENT ASSETS**

There are no contingent assets

**28. Statement of comparison of budget and actual amounts**

	Approved Budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	References
<b>Receipts</b>			-		-	
Sale of goods	70 000 000		70 000 000	52 404 193	17 595 807	A
Other income	1 576 955		1 576 955	2 836 066	-1 259 111	B
Department of Labour transfer	84 929 000		84 929 000	135 050 000	-50 121 000	C
<b>Total Receipts</b>	<b>156 505 955</b>	<b>-</b>	<b>156 505 955</b>	<b>190 290 259</b>	<b>-</b>	
<b>Payments</b>						
Employee costs	70 461 865		70 461 865	94 443 123	-23 981 258	D
Cost of sales	43 400 000		43 400 000	128 072 912	-84 672 912	E
Operating Expense	26 884 341		26 884 341	-68 437 339	95 321 680	F
Capital Expenditure	14 467 135		14 467 135	1 497 067	12 970 069	G
<b>Total Payments</b>	<b>155 213 341</b>	<b>-</b>	<b>155 213 341</b>	<b>155 575 763</b>	<b>-13 332 490</b>	
<b>Net Receipts/ (payments)</b>	<b>1 292 613</b>	<b>-</b>	<b>1 292 613</b>	<b>34 714 496</b>	<b>-33 421 883</b>	

A	Anticipated orders concluded and placed after financial year end
B	Increase in cash and cash equivalent due to good cash management lead to high interest earned from the call account
C	Change in the ENE allocation, the balance of previously retained amount was transferred to the entity
D	Admin staff salaries and wages accounted for in the GL, change in accounting treatment
E	Cost of sales increased due to absorption of full production cost
F	Operating expenditure incurred is less to budgeted due to increase cost containment controls introduced by management
G	There was procurement of Computer Equipment, further Capex has been deferred to the new financial year







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**labour**

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