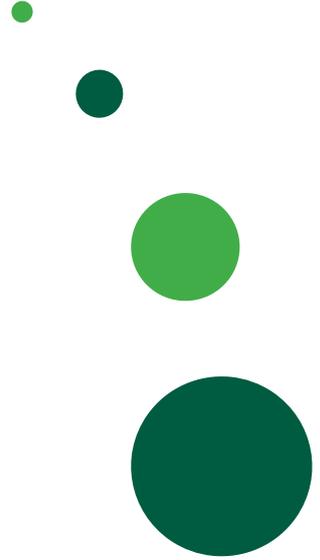


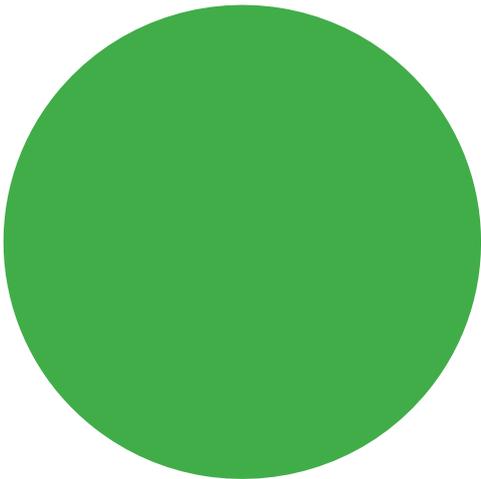
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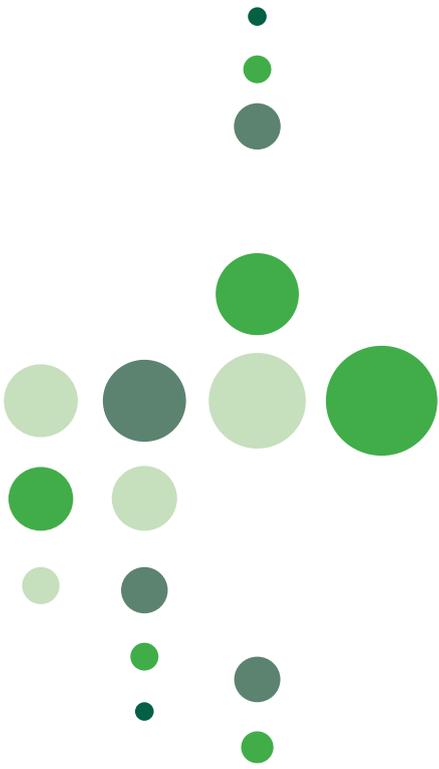
DEPARTMENT OF
LABOUR

ADMINISTRATION | SUPPORTED EMPLOYMENT ENTERPRISES | INSPECTION AND ENFORCEMENT SERVICES | LABOUR POLICY AND INDUSTRIAL RELATIONS | PROVINCIAL OPERATIONS | PUBLIC EMPLOYMENT SERVICES



2018/19





ANNUAL REPORT | DEPARTMENT OF LABOUR





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THE DIRECTOR-GENERAL

I have the honour of submitting the Annual Report of the Department of Labour for the period 1 April 2018 to 31 March 2019.



T Lamati
Director-General of Labour




BE Moloji
Deputy Minister of Labour




TW Nxesi
Minister of Labour




T Lamati
Director-General
Labour



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PART A

GENERAL INFORMATION





PART A: GENERAL INFORMATION

REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

1.1 DEPARTMENT'S VISION, MISSION AND VALUES

VISION

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

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.

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.

1.2 LIST OF ABBREVIATIONS/ACRONYMS

AG	Auditor-General	M and E	Monitoring and Evaluation
AR	Annual Report	MOA	Memorandum of Agreement
BCEA	Basic Conditions of Employment Act	MOU	Memorandum of Understanding
BRRR	Budgetary Review and Recommendations Report	MP	Mpumalanga
CCMA	Commission for Conciliation, Mediation and Arbitration	MTEF	Medium-Term Expenditure Framework
CDPO	Chief Director: Provincial Operations	MTSF	Medium-Term Strategic Framework
CF	Compensation Fund	NACTU	National Council of Trade Unions
CFO	Chief Financial Officer	NC	Northern Cape
CIO	Chief Information Officer	NDP	National Development Plan
COIDA	Compensation for Occupational Injuries and Diseases Act	NEDLAC	National Economic Development and Labour Council
COO	Chief Operations Officer	NMW	National Minimum Wage
CS	Corporate Services	NT	National Treasury
CSO	Client service officer	NW	North West
DDG	Deputy Director-General	OHS	Occupational Health and Safety
DG	Director-General	OHSA	Occupational Health and Safety Act
DPSA	Department of Public Service and Administration	PEA	Private Employment Agencies
EEA	Employment Equity Act	PES	Public Employment Services
EEC	Employment Equity Commission	PFMA	Public Finance Management Act
ENE	Estimated National Expenditure	PPP	Public Private Partnership
EPWP	Extended Public Works Programme QPR Quarterly Performance Report	PSA	Productivity South Africa
ES	Employment Services	PwD	People with disabilities
ESA/B	Employment Services Act or Bill	RAMP	Renovation and Maintenance Project
ESSA	Employment Services of South Africa	RME	Research Monitoring and Evaluation
FEDUSA	Federation of Unions of South Africa	SADC	Southern African Development Community
FS	Free State	SADC - ELS	Southern African Development Community - Employment and Labour Sector
GCIS	Government Communication and Information Services	SD	Sectoral determinations
GP	Gauteng	SDIP	Service Delivery Improvement Plan
HO	Head Office	SEE	Supported Employment Enterprises
HRM	Human Resource Management	SMME	Small Medium Macro Enterprises
ICD	Integrated Client Database	SMS	Senior Management Service
ICT	Information and Communication Technology	SP	Strategic Plan
IES	Inspection and Enforcement Services	TES	Temporary Employment Services
IFS	Interim Financial Statements	UIA	Unemployment Insurance Act
ILO	International Labour Organisation	UIF	Unemployment Insurance Fund
KZN	KwaZulu-Natal	WSP	Workplace Skills Plan
LC	Labour centre	WSS	Work-Seeker Services
LP	Limpopo	RME	Research, Monitoring and Evaluation
LMIS	Labour Market Information and Statistics	SEE	Supported Employment Enterprises
LP and IR	Labour Policy and Industrial Relations	UIF	Unemployment Insurance Fund
LRA	Labour Relations Act		



“ THE FIRST NATIONAL MINIMUM WAGE WAS IMPLEMENTED AT THE BEGINNING OF JANUARY 2019 FOLLOWING ROBUST DEBATES AND SOME OPPOSITION ”



1.3 FOREWORD BY THE MINISTER TW NXESI

As the 2014 to 2019 Medium-Term Strategic Framework period draws to a close, I want to underscore that in giving effect to our mandate, we continued to be guided by our Constitutional obligations, the Freedom Charter, the National Development Plan, the country's vision 2030 and the 2014 ANC Election Manifesto. We have carried out our work in collaboration with our social partners and our people, in order to ensure that the outcomes are not short term, but medium to long term and most importantly, sustainable.

I am pleased to report that we have registered significant progress in dealing with key priority issues in the Medium-Term Strategic Framework and these include, but are not limited to: breaking new ground on the international relations front, putting in place measures to reduce workplace conflict, improving collaboration between Government, Organised Business and Organised Labour; enhancing fairness and equity in the workplace and encouraging a robust, but mutually beneficial labour relations culture.

A new Employment Services Act 2014 was promulgated during August 2015, which provides a legal framework for the operation of the Public Employment Services, the regulation of private employment agencies and temporary employment services, the establishment and operations of Supported Employment Enterprises and Productivity South Africa. Looking forward, this suite of services will be complimented by the roll out of Youth Employment Centres offering job seekers on-line employment services, generating CVs, career guidance and counselling, as well as providing free services to registered employers such as psychometric testing and validation of qualifications.

Amendments to the Unemployment Insurance Act have been finalised and the President has assented to the Unemployment Insurance Act, 2016, as amended. Amendments to the Occupational Health and Safety Act and to the Compensation for Occupational Injuries and Diseases Act also reached an advanced stage during this term. Major aspects of our programme of legislative reform were completed during this term and steps were taken to further strengthen and professionalise the inspection and enforcement capacity of the Department. During the coming years, our emphasis will move to enforcement and to monitoring and evaluating the implementation of the labour laws, as amended.

The first National Minimum Wage was implemented at the beginning of January 2019 following robust debates and some opposition. The National Minimum Wage was initially set at R20 per hour. This is not enough to lift people out of poverty, but it is an important start, and indications are that some six million workers will benefit. For the majority of vulnerable workers, the National Minimum Wage will make a huge difference. Inspections, to date, indicate overwhelming compliance by employers with the Minimum Wage requirements.

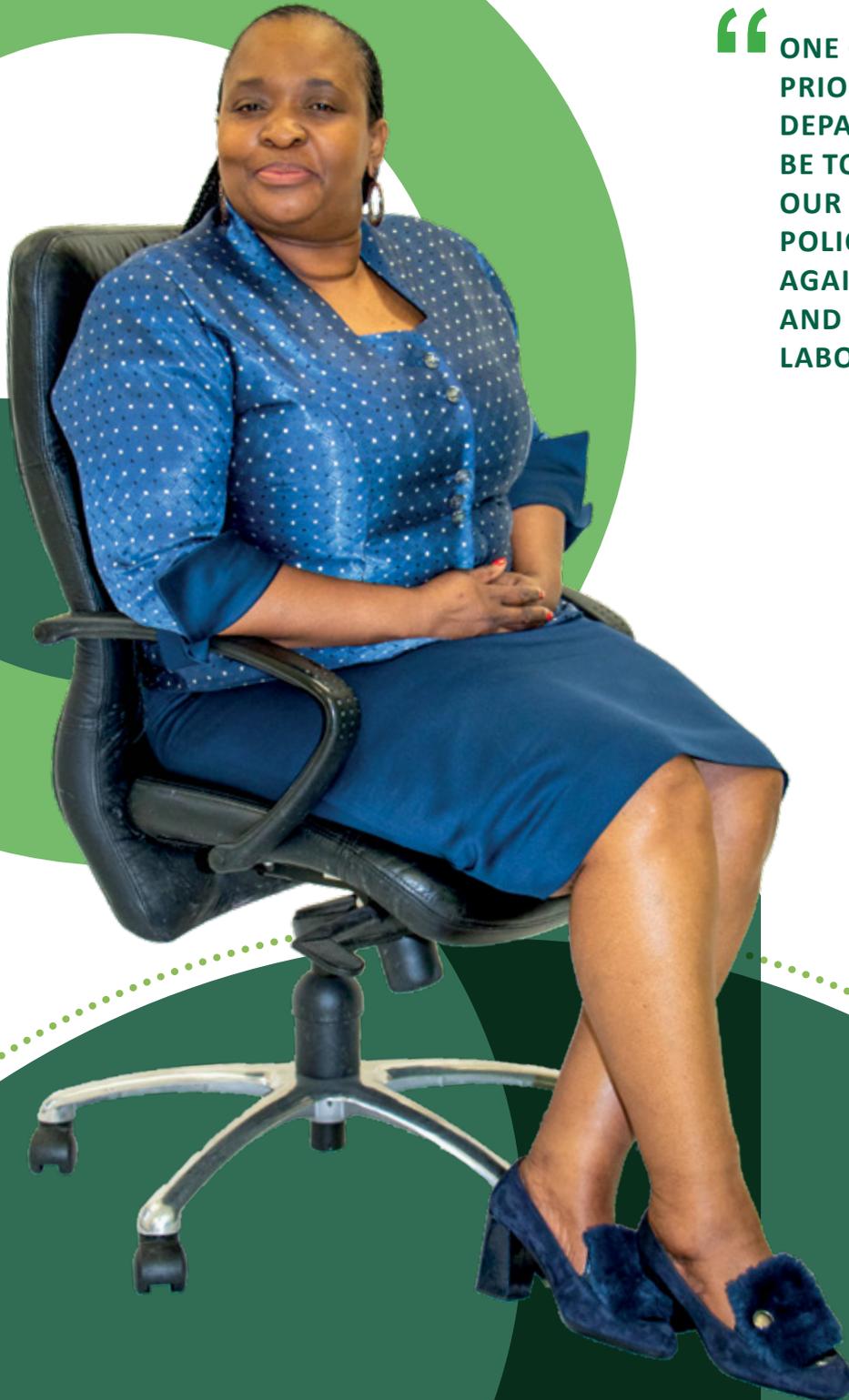
Prophesies that wholesale retrenchments would follow the introduction of a National Minimum Wage were not borne out. By the end of September 2019, the National Minimum Wage Commission will publish research into the impact of the changes on employment, poverty levels and wage differentials. In October 2018, a Presidential Jobs Summit was convened by NEDLAC. Of the 77 commitments made, 70% are on track for implementation. In contrast to previous Summits, a Monitoring and Evaluation tool was put in place to track outcomes. The President has called for continued social dialogue to address the challenges we face as a country.

I look forward to working with the Chairpersons and Honourable Members of the Portfolio Committee and the Select Committee during the Sixth Administration. Their support and guidance will be crucial as we seek to elaborate and implement the implications of the renaming of the Department in the Sixth Administration. The reconfigured new Department of Labour will need to play a major role in promoting job creation, and skills development to meet the changing needs of the labour market in the era of the Fourth Industrial Revolution, and in creating a conducive environment for investment and growth to take place.

Let me also thank the Director-General, the staff of the Department and my predecessor for their support and guidance during the transition to the Sixth Administration. Indeed, it must be said, that the achievements reflected in the 2018/19 Annual Report took place under the leadership of former Minister Oliphant.

I commend the Department on its efforts to meet the annual performance targets, with an 80% score. This is from a baseline score of 42% in 2014/15 at the beginning of the Fifth Administration. The current planning process in the Department will seek to further improve on annual performance. Building on the solid foundation laid by my predecessors, we will continue to strengthen oversight and governance structures, with a focus on consequence management. A priority will be to achieve a clean audit during this Administration. Let me also extend my gratitude to our social partners for always being there when we need them. I hereby table the 2018/19 Annual Report of the Department of Labour.

Mr. TW Nxesi, MP
Minister of Labour



“ ONE OF THE KEY PRIORITIES FOR THIS DEPARTMENT WILL BE TO STRENGTHEN OUR MIGRATION POLICY TO MITIGATE AGAINST DOMESTIC AND CROSS BORDER LABOUR MIGRATION ”



1.4 DEPUTY MINISTER'S STATEMENT BE MOLOI

The Department of Labour will in the current financial year create social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility. We aim to achieve competitiveness of enterprises, balanced with the promotion of decent employment. This we will achieve through a stable labour environment. To succeed in this massive task, we will need strong and sound stakeholder partnerships.

The 4th industrial revolution presents unique challenges and opportunities for our country. This prompts us to rethink of the working environment, to ensure that we remain an enabler for decent work creation and preserve the current jobs. Most jobs and skills will become obsolete in the next 15 years and jobs of the future not yet created. This will have direct implication on our regulatory process to implement active and passive labour policies for jobs stabilisation. The glaring reality is that South African skills sets falls short of the skills set required for jobs of the future. We need to urgently address this in our training programmes holistically and ensure the future is not defined as doom but rather an opportune moment in history.

Our primary policy focus and constitutional mandate places upon the Department of Labour, the responsibility to improve economic efficiency and productivity, create decent employment, promote labour standards and fundamental rights at work and sound labour relations, eliminate inequality and discrimination in the workplace as well as to enhance occupational health and safety awareness and compliance in the workplace.

In the current 2019 - 2020 financial year and the five-years MTEF period, the Department will put much effort into stabilising the labour relations, reduce inequality and improve security of employment and employment equity. We note all the regrettable efforts by some employers seeking to regress our demographic gains by casualisation of employment and moving away from permanent and full-time employment. We will be strengthening the national inspections and enforcement programme soon to disrupt this status quo.

One of the key priorities for this Department under the stewardship of the Minister and I, will be to strengthen our migration policy to mitigate against domestic and cross border labour migration. Together through our stakeholder engagements, we will improve the constant performance monitoring and evaluation of labour market policies and programmes to determine policy impact on the economy. We participated in SADC and the international organisation protocols and we have an obligation to implement all the declarations taken by these institutions.

This annual report will be the catalogue of the monthly reports, quarterly and midterm reports. The Minister and I will perform oversight on the Department and we will enforce all legislation and policies placed upon the Department by the constitution of the Republic of South Africa. This is a function upon which we took office to serve our people. We are pleased to be part of the major achievements ushered to this administration from the 2014 - 2019 period and we further wish to mention that we are committed to expanding on the work done and the strong foundation laid by our predecessors towards the next five years and the MTEF period.

I join the Minister to further thank both the former Minister and Deputy Minister for the sterling work and huge turnaround in policy development for effective service delivery to our communities. The warm welcome the Minister and I received from the officials led by the Director-General is well received and will never be overlooked.

Let me thank the Director-General and the entire team for the handover report and for the smooth handover process from the 5th to the 6th administration.

The tabling of this annual report is supported.

Ms. BE Moloi, MP
Deputy Minister of Labour



1.5 REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REUBLIC 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
- Giving 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 (Productivity SA).** 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, Organised 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.

1.5.1.2 OVERVIEW OF THE RESULTS AND CHALLENGES OF THE DEPARTMENT

OVERVIEW OF THE RESULTS OF THE DEPARTMENT

A major achievement during the Medium-Term Strategic Framework 2014 - 2020 was the promulgation of amendments to the Labour Relations Act, the Basic Conditions of Employment Act and the Employment Equity Act. Together, these amendments are intended to give further protection to vulnerable workers, especially those in temporary work arrangements, to promote greater equity in the labour market and especially, to promote equal treatment. Regulations were completed for the Labour Relations Act and Employment Equity Act. A Code of Good Practice on Equal Pay for Work of Equal Value was also completed and published.

A new Employment Services Act 2014 was promulgated during August 2015, which provides a legal framework for the operation of the Public Employment Services, the regulation of private employment agencies and temporary employment services, the establishment and operations of Supported Employment Enterprises and Productivity South Africa. Amendments to the Unemployment Insurance Act have been finalised and the Presidency has assented to the Unemployment Insurance Act, 2016 as amended. Amendments to the Occupational Health and Safety Act and to the Compensation for Occupational Injuries and Diseases Act also reached an advanced stage in the Department during this term.

Major aspects of our programme of legislative reform were completed during this term and steps were also taken to further strengthen and professionalise the inspection and enforcement capacity of the Department. During the coming years, our emphasis will move to enforcement and to monitoring and evaluating the implementation of the labour laws, as amended.

These amendments are the product of protracted and often difficult negotiations involving the contrasting interests of Organised Labour, Organised Business, Government and diverse political parties in Parliament. The National Economic Development and Labour Council, as always, played a sterling role in bringing about the requisite consensus for the passage of these laws.

The revamping of the labour laws is a highly significant milestone that underscores our resolve to help transform and regulate the labour market. Consistent with the policy orientation of the Department since 1994, the amendments strive to balance regulation of the labour market with sufficient flexibility for growth and development. But they must also be judged by their effectiveness regarding protection of vulnerable workers.

South Africa faces a massive and sustained challenge of poverty, inequality, unemployment and low pay across the economy. Addressing these problems requires sustained and coordinated action from all stakeholders.

The previous President, Jacob Zuma, in his State of the Nation Address of 13 February 2014, announced that, the then Deputy President, Cyril Ramaphosa, would convene a social partner dialogue within the ambit of NEDLAC. This process of social dialogue would deliberate on the state of the labour relations environment and would engage on a national minimum wage. Both labour relations stability and the issue of a national minimum wage are critical areas for the future of the labour market and for advancing the decent work agenda.

On 4 November 2014, a Labour Relations Indaba was convened at which a declaration was adopted that contained a number of principles to guide the engagement. Since January 2015, the NEDLAC constituencies have been engaging on the two focal areas. The outcome of the engagement was an announcement by the then Deputy President of South Africa early in 2017, on the proposed national minimum wage to be adopted by the country.

It is also important to note that the national minimum wage is not a solution for all the problems of the economy, but is intended as a floor to protect the most vulnerable workers. It is one tool among many which Government believes could make a significant and rapid difference to the living experiences of almost half of the country's workers. The National Minimum Wage Act was proclaimed during December 2018 and implemented with effect from 1 January 2019.

The Department believes there is value in bringing South Africa into the company of countries around the world that have adopted caring economic strategies to address the crises facing their citizens. But much more needs to be done beyond the minimum wage to transform South Africa into a fair and equitable society with decent work for all.

The National Minimum Wage will be overseen by a commission which will be tasked with conducting annual reviews.

CHALLENGES FACING THE DEPARTMENT

Moderating workplace conflict

The burden of industrial action remains a heavy one on South Africa's labour relations. 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 shooting of 34 striking mineworkers at Marikana on 16 August 2012.

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.

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 instability in industrial relations. Wage demands are also the most common cause of industrial action in the country. Social partners were called upon 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 Department's Annual Performance Plan. The National Minimum Wage Act was proclaimed in December 2018 and implemented with effect from 1 January 2019.

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
- Establish measures to encourage continuous learning, development and innovation by those serving at the point of contact with clients.

1.5.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

1.5.2.1 DEPARTMENTAL RECEIPTS

DEPARTMENTAL RECEIPTS	2018/2019			2017/2018		
	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	4 485	4 665	(180)	4 478	4 436	42
Transfers received	-	-	-	244	-	244
Fines, penalties and forfeits	2 070	1 988	82	1 020	2 281	(1 261)
Interest, dividends and rent on land	1 000	1 233	(233)	1 460	1 357	103
Sale of capital assets	300	76	224	300	43	257
Financial transactions in assets and liabilities	2 666	2 819	(153)	9 666	8 688	978
TOTAL	10 521	10 781	(260)	17 168	16 805	363

1.5.2.1.1 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).

1.5.2.1.2 FREE SERVICES

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

1.5.2.1.3 REASONS FOR OVER/UNDER COLLECTION OF REVENUE

TOTAL REVENUE RECEIVED	2018/19	2017/18	VARIANCE	VARIANCE	REASONS FOR VARIANCES
	R'000	R'000	R'000	%	
Sales of goods and services other than capital assets	4 665	4 436	(229)	4.91%	The increase in the collection of this revenue category was mainly due to the increase in the number of renewal of OHS licenses.
Fines, penalties and forfeits	1 988	2 281	293	14.74%	The decrease in the collection of this revenue category was mainly attributed to less employers fined for not complying with the Employment Equity Act.
Interest, dividends and rent on land	1 233	1 357	124	10.06%	The decrease in the collection of this revenue item was mainly attributed to less interest earned on the Department's bank account and less interest earned on the recovery of outstanding Departmental debts.
Sales of capital assets	76	43	(33)	43.42%	The increase in the collection of this revenue category was attributed to the selling of more than anticipated damaged fleet vehicles.
Transactions in financial assets and liabilities	2 819	8 688	5 869	208.19%	The decrease in the collection of this revenue item was mainly attributed to the fact less monies were collected in respect of previous years' expenditure.

The sales of capital assets consist of the sale of damaged vehicles.

1.5.3 OVERVIEW OF EXPENDITURE PER PROGRAMME

PROGRAMME NAMES	2018/2019			2017/2018		
	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	881 531	804 917	76 614	860 734	768 677	92 057
Inspection and Enforcement Services	592 223	549 211	43 012	545 115	520 165	24 950
Public Employment Services	605 674	542 817	62 857	562 574	485 543	77 031
Labour Policy and Industrial Relations	1 203 442	1 189 746	13 696	1 087 398	1 069 634	17 764
TOTAL	3 282 870	3 086 691	196 179	3 055 821	2 844 019	211 802

1.5.3.1 BUDGET ALLOCATION FOR 2018/19 FINANCIAL YEAR

The original allocation for Vote 28: Labour, as included in the Estimates of National Expenditure for 2018/19, was reflected as R 3 295 243 000, this included a provision in respect of transfer payments to the value of R 1 273 560 000. During the 2018/19 Adjustment Budget process the allocation for Vote 28: Labour was decreased by R 12 373 000 or 0.38%.

The final allocation for Vote 28: Labour therefore reflected in the Adjusted Estimates of National Expenditure as R 3 282 870 000, which included R 1 287 983 000 in respect of transfer payments.

ADJUSTED BUDGET SUMMARY				
2018/19				
R THOUSAND	MAIN APPROPRIATION	ADJUSTED APPROPRIATION	DECREASE	INCREASE
Amount to be appropriated of which:	3 295 243	3 282 870	(61 368)	48 995
Current payments	1 946 683	1 885 315	(61 368)	-
Transfer and subsidies	1 273 560	1 287 983		14 423
Payments for capital assets	75 000	109 572		34 572

As per the Appropriation Statement for the Department, in respect of the 2018/19 financial year, the total expenditure defrayed against the Vote amounted to R 3 086 691 000. This represents an expenditure level of 94%.

1.5.3.2 REASONS FOR UNDER SPENDING PER PROGRAMME

PROGRAMME 1: ADMINISTRATION

Compensation of employees: Due to internal promotions and vacant posts that were not filled during the financial year.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

Compensation of employees: Due to internal promotions and vacant posts that were not filled during the financial year.

Payments for Capital Assets: Delay in the delivery of ICT equipment for inspectors.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

Compensation of employees: Due to internal promotions and vacant posts that were not filled during the financial year.

Payments for Capital Assets: Delay in the procurement of ICT equipment for the Provincial Offices.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

Compensation of employees: The delay in promulgating the NMW Act resulted in this underspending.

Transfers and Subsidies: Underspending due to the fluctuating exchange rate.

1.5.3.3 ACTIONS TAKEN OR PLANNED TO AVOID RECURRENCE

Vacant posts to be filled.

1.5.3.4 VIREMENT APPLIED

VIREMENT WAS APPLIED AS FOLLOWS:

PROGRAMME		
SHIFTED FROM	SHIFTED TO	R'000
Programme 1: Administration: Sub-programmes Office Accommodation and Corporate Services	Programme 3: Public Employment Services, sub programme Productivity South Africa	25 100
Across Programmes and within Programme 4: Compensation of Employees	Programme 4: Labour Policy and Industrial Relations	10 202
Programme 1: Administration: Goods and Services	Programme 4: Labour Policy and Industrial Relations	2 100
ACROSS ALL PROGRAMMES: Compensation of employees	ACROSS ALL PROGRAMMES: Transfers and subsidies: Households	2 157
TOTAL		39 559

Virement applied and the reasons therefore:

PROGRAMMES: 1 and 3

Treasury approval was granted (dated 13/03/2019) for the virement of R 25 100 000 from Goods and Services in Programme 1 Administration: Sub-programmes: Office Accommodation and Corporate Services to increase the transfer payment to Productivity South Africa in Programme 3: Public Employment Services, Sub-programme Productivity South Africa to cover shortfalls on operational costs as well as to replace outdated ICT infrastructure.

ACROSS PROGRAMMES AND WITHIN PROGRAMME 4 AND 1

Treasury approval was granted (dated 17/09/2018) for virement of R10 202 000 from Compensation of Employees across Programmes and within Programme 4 as well as R2 100 000 from Programme 1: Administration: Goods and Services to transfer to the National Economic Development and Labour Council (NEDLAC) in Programme 4: Labour Policy and Industrial Relations for the preparation of the Presidential Job Summit.

ACROSS ALL PROGRAMMES

- (a) Treasury approval was granted (dated 04/10/2018) for virement of R2 157 000 from Compensation of Employees across all programmes to Transfers and subsidies: Households for the payment of leave gratuities arising from unforeseen resignations.
- (b) Final Virement was approved by the Accounting Officer on 17 May 2019.

1.5.4 UNAUTHORISED, FRUITLESS AND WASTEFUL AND IRREGULAR EXPENDITURE

No unauthorised expenditure was reported during the 2018/19 financial year. Irregular expenditure as well as fruitless and wasteful expenditure incurred by the Department are disclosed in Note 22 and 23 of the Annual Financial Statements.

1.5.5 FUTURE PLANS OF THE DEPARTMENT

1.5.5.1 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 for appointment.

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 supported by an IT portal where work-seekers can register and provide information about their CVs detailing their work experience, qualifications and also apply for 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.

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 National Minimum Wage was implemented on 1 January 2019, and the Department will determine its likely impact on wage structures, inequality, employment, and the standard of living for workers. These activities are funded in the Labour Policy and Industrial Relations Programme. In addition, the Department will transfer R2.3 billion over the medium-term from this programme to the Commission for Conciliation Mediation and Arbitration and R90.9 million to the National Economic Development and Labour Council.

1.5.5.2 REVISIONS TO LEGISLATIVE AND OTHER MANDATES

- 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
- 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
- Amendment of the Compensation for Occupational Injuries and Diseases Act. Develop a rehabilitation, re-integration and return-to-work policy for injured and diseased workers to ensure integration with other South African policies and programmes, which provide a framework for rehabilitation of people with disabilities which stresses the importance of vocational integration
- 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 on the spot.
- Amendments to the Employment Equity Act, Act 55 of 1998 and its Employment Equity Regulations. These amendments are primarily aimed at empowering the Minister of Labour to regulate the setting of Sector specific EE numerical targets and the promulgation of Section 53 that deals of the issuing of an EE Compliance Certificate as a prerequisite for accessing of State Contracts
- National Minimum Wage Act, Act 9 of 2018. The National Minimum Wage Act 9 of 2018 aims:
 - » To provide for a national minimum wage
 - » To establish the National Minimum Wage Commission
 - » To provide for the composition and functions of the National Minimum Wage Commission
 - » To provide for the review and annual adjustment of the national minimum wage
 - » To provide for exemption from paying the national minimum wage
 - » To provide for matters connected therewith.

1.5.6 PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department did not enter into any Public Private Partnership (PPP) as at 31 March 2019.

1.5.7 DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

The Department has not identified any activities to be discontinued.

1.5.8 NEW OR PROPOSED ACTIVITIES

No new activities have been proposed. However, National Treasury approval was granted for the Department to amend the names of the sub-sub programmes under Programme 3: Public Employment Services for the 2019/20 financial year.

OLD STRUCTURE		NEW STRUCTURE
NON-PROFIT INSTITUTIONS		NON-PROFIT INSTITUTIONS
1	Deaf Federation of South Africa	Designated Group Special Services
2	National Council for the Physically Disabled	
3	South African National Council for the Blind	
4	Workshop for the Blind	

1.5.9 SUPPLY CHAIN MANAGEMENT

1.5.9.1 UNSOLICITED BID PROPOSALS CONCLUDED FOR THE YEAR UNDER REVIEW

No unsolicited bid proposals were concluded for the year under review.

1.5.9.2 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 either determine responsibility in order to recover the amount involved, or follow the necessary procedures to condone
- Investigations into all irregular transactions are undertaken which could result in disciplinary steps being taken against officials who transgress in this regard
- Procedure manuals 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
- Inspections conducted at the provincial offices to assist officials to avoid the reoccurrence of irregular expenditure.

1.5.9.3 CHALLENGES EXPERIENCED IN SCM AND HOW THEY WERE RESOLVED

The main challenge remains understaffing at provincial level.

1.5.10 GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

The Department did not receive any gifts or donations in kind during the 2018/19 financial year.

1.5.11 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

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

1.5.12 COST CONTAINMENT

The Department implemented the Cost Containment Measures as issued by the National Treasury.

In addition to the above, the Department issued guidelines regarding cost containment measures, this is aimed at ensuring comprehensive implementation of the National Treasury Instructions.

1.5.13 EVENTS AFTER THE REPORTING DATE

During the announcement of the Cabinet, the President appointed a new Minister, Mr TW Nxesi and Deputy Minister, Ms BE Moloi for the Department of Labour. With regards to the renaming of the Department, the President announced that we will forthwith be called the Department of Employment and Labour.

1.5.14 OTHER

1.5.14.1 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.

1.5.15 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.

1.5.16 CONCLUSION

In conclusion, I hereby submit the Department's Annual Report for the period ended 31 March 2019.

1.5.17 APPROVAL

The Annual Financial Statements for the 2018/19 financial year have been approved by the Accounting Officer.



T Lamati

Director-General: Labour

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 the annual report as issued by 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 on this information
- The Accounting Officer is responsible for establishing, and implementing of a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

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 2019.

Yours faithfully



T Lamati

Director-General: Labour

1.7 LEGISLATIVE AND OTHER MANDATES

The Department of Labour 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 following:

- Basic Conditions of Employment Act (1997)
- Employment Equity Act (1998)
- Employment Services Act (2014)
- Labour Relations Act (1995)
- Occupational Health and Safety Act (1993)
- National Minimum Wage Act (2018).

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:

- Improving 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
- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market growth.

1.8 LEGISLATIVE MANDATE: KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

1.8.1 LEGISLATIVE MANDATE

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, 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, Act 75 of 1997 (BCEA) as amended	The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are: <ol style="list-style-type: none"> a. To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by: <ol style="list-style-type: none"> (i) Establishing and enforcing basic conditions of employment (ii) Regulating the variation of basic conditions of employment b. To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation.
The Employment Equity Act, Act 55 of 1998 (EEA) as amended	The purpose of the Act is to achieve equity in the workplace, by: <ol style="list-style-type: none"> a. Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination b. Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational levels in the workforce.
The Unemployment Insurance Act, Act 30 of 2001 as amended (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, Act 85 of 1993 (OHS Act)	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, 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, 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 (ESA) Skills Development Act, Act 97 of 1998 (SDA)	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 Supported Employment Enterprises.
National Minimum Wage Act, Act 9 of 2018	The National Minimum Wage Act 9 of 2018 aims: <ul style="list-style-type: none"> • To provide for a national minimum wage • To establish the National Minimum Wage Commission • To provide for the composition and functions of the National Minimum Wage Commission • To provide for the review and annual adjustment of the national minimum wage • To provide for exemption from paying the national minimum wage • To provide for matters connected therewith.

1.8.2 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
- 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.

1.8.3 AMENDMENTS TO LEGISLATION:

1.8.3.1. AMENDMENT OF THE UNEMPLOYMENT INSURANCE ACT NO. ACT 63 OF 2001.

These changes relate to improvements of benefits and administrative changes regarding submission of information by employers to the Fund.

1.8.3.2. ISSUE REGULATIONS IN TERMS OF THE EMPLOYMENT SERVICES ACT, ACT NO. 4 OF 2014.

The new regulations aim to strengthen the provision of employment services within the Department and to provide further clarity on the prescribed provisions of the Act.

1.8.3.3. AMENDMENT OF THE COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT.

Develop a rehabilitation, re-integration and return-to-work policy for injured and diseased workers to ensure integration with other South African policies and programmes, which provide a framework for the rehabilitation of people with disabilities and stresses the importance of vocational integration.

1.8.3.4. AMENDMENTS TO THE EMPLOYMENT SERVICES ACT, ACT NO 4 OF 2014.

To classify the Supported Employment Enterprises as a Trading Entity and to enable its listing by the National Treasury.

1.8.3.5. AMENDMENT OF THE OHS ACT, ACT NO 85 OF 1993.

Although the OHS Act has placed the responsibility of creating a healthy and safe working environment on 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 on the spot.

1.8.4 THE DEPARTMENT IS ALSO RESPONSIBLE FOR THE ADMINISTRATION AND EFFECTIVE FUNCTIONING OF THE FOLLOWING LABOUR MARKET INSTITUTIONS:

- **Productivity South Africa (ProductivitySA)** - 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.

1.8.5 THE FOLLOWING REPRESENTS THE TARGET CLIENTS AND BENEFICIARIES OF THE DEPARTMENT'S SERVICES AND LABOUR MARKET INFORMATION:

- Employers
- Employees
- Unemployed and under-employed
- Private employment agencies
- Trade unions and trade union federations
- Employer organisations.



**GROWTH IS NEVER BY
MERE CHANCE; IT IS
THE RESULT OF FORCES
WORKING TOGETHER. ”**

James Cash Penney



1.9 ORGANISATIONAL STRUCTURE

TOP LEADERSHIP



BE Moloji

Deputy Minister of Labour



TW Nxesi

Minister of Labour



T Lamati

Director-General
Labour

INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Advisory Council for Occupational Health and Safety > Commission for Conciliation Mediation and Arbitration (CCMA) > Commission for Employment Equity (CEE) > Compensation Board > Employment Conditions Commission (ECC) > National Economic Development and Labour Council (NEDLAC) > Productivity South Africa (ProdSA) > Unemployment Insurance Board

V Seafield

DDG: Labour Policy and Industrial Relations



A Moiloa

DDG: Inspection and Enforcement Services



S Morotoba

DDG: Public Employment Service



B Matebesi

DDG: Corporate Services



T Maruping

Commissioner: Unemployment Insurance Fund



M Bronkhorst

Chief Operations Officer



B Maduna

Chief Financial Officer



V Mafata

Commissioner: Compensation Fund



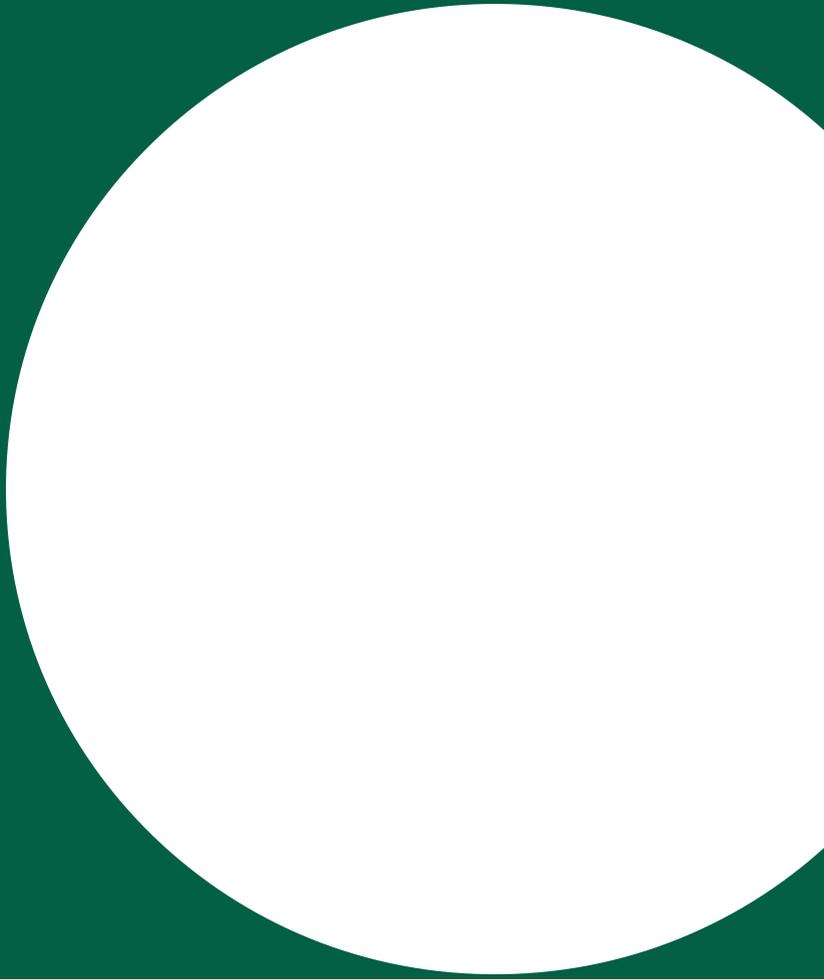
1.10 PUBLIC ENTITIES REPORTING TO THE MINISTER OF LABOUR

The table below indicates the entities that report to the Minister of Labour:

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Supported Employment Enterprises (SEE)	PFMA Act 1 of 1999 (as amended by Act 29 of 1999)	Business Entity 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.
Productivity South Africa (ProductivitySA)	Employment Service Act 4 of 2014, 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 to: <ul style="list-style-type: none"> • Promote a culture of productivity in the workplace • Develop relevant productivity competencies • Facilitate and evaluate productivity improvement and competitiveness in workplaces • Measure and evaluate productivity in the workplace • Maintain a data-base of productivity and competitiveness systems and to publicise these systems • Undertake productivity-related research • Support initiatives aimed at preventing job losses • Perform any other prescribed function.
Unemployment Insurance Fund (UIF)	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.
Commission for Conciliation, Mediation and Arbitration (CCMA)	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"> • Conciliate workplace disputes • Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules • Facilitate the establishment of workplace forums and statutory councils • Compile and publish information and statistics about CCMA activities • Accredite and consider applications for subsidy by bargaining councils and private agencies • Provide support for the Essential Services Committee.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
National Economic Development and Labour Council (NEDLAC)	<p>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.</p>	Public Entity	<p>The NEDLAC Act requires the institution to:</p> <ul style="list-style-type: none"> • Strive to promote the goals of economic growth, participation 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 before it is introduced in Parliament • Encourage and promote the formulation of coordinated policy on social and economic matters • Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament • Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act.







PART B

PERFORMANCE
INFORMATION



PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Report on the audit of the Annual Performance Report section of the auditor's report. Refer to page 142 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

COMPENSATION FUND (CF)

Problem statement – Identified key service	<ul style="list-style-type: none">• The Fund registers compensation claims for injured and dependant(s) of deceased employees and adjudicates to establish the liability with regard to the claims. It takes approximately 40 days for the CF to determine liability. Upon receipt, the claim is assessed based on the information provided in order to accept or reject. The claims registration process has a history of backlogs and a number of initiatives have been undertaken over the years to eradicate this backlog. The aims for service delivery improvement in this area is to reduce the responsive time (from 40 working days to 30 working days) to register, adjudicate and pay out the benefits. The Fund had targeted to adjudicate 90% of compensation claims within 40 working days of receipt in the annual performance plan for 2018/19 financial year.• The Fund has been able to exceed its performance targets for adjudicating compensation claims in the three (3) recent financial years as it pertains to the current claims, but continues to struggle to eliminate open claims that existed before August 2018 within reasonable time frames.• Compensation Benefits Directorate has developed an adjudication strategy in order to eliminate the backlog from the legacy systems. It will be implemented in the 2019/2020 financial year.
Performance highlights	<ul style="list-style-type: none">• The Fund has over-achieved the claims adjudication target by 4% and medical invoices targets by 8% throughout the 2018 /2019 financial year. The over-achievement is attributed to standardisation of processes, improved client liaison activities as well as to educational campaigns conducted. Further to this, most of the critical posts have been filled and operations management and reporting frameworks were created.

UNEMPLOYMENT INSURANCE FUND

<p>Problem statement – Identified key service</p>	<ul style="list-style-type: none"> Although the Fund undertakes to pay unemployment insurance benefits with set turnaround times, there is no adequate system to fast track claims processing and no policy to hold the responsible office/official to account for the consequence of any improper delay (reckless or deliberate) in paying out a valid claim. Most of the beneficiaries rely on the unemployment insurance benefits to support themselves and their loved ones. The service delivery improvement plan seeks to address the service delivery challenges (focusing on policy, process, system, people etc.) with a view to ensure that all eligible beneficiaries with a valid claim receive the benefits within the set turnaround time. In order to improve service delivery and restore the Fund's reputation, a Service Delivery Management Action Plan (SDMAP) has been developed which will serve as a blue-print for the service delivery improvements initiatives. The Fund coordinated service delivery implementation team comprising of customer service officials, claims assessors, paymasters, organisational effectiveness, human resources, call centre agents and managers, training in ICT, communication and operations. The team is led by the Chief Director Operations Management. SDMAP focus on 4 key objectives for financial year 2018/2019: <table border="1" data-bbox="416 577 1374 909"> <thead> <tr> <th data-bbox="416 577 831 613">SDMAP OBJECTIVES</th> <th data-bbox="831 577 1374 613">ACTUAL PERFORMANCE</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 613 831 703"> <ul style="list-style-type: none"> To roll out Queue Management System (QMS) to service points. </td> <td data-bbox="831 613 1374 703"> QMS was rolled out to 119 sites/labour centres. The 8 remaining sites/labour centres will be finalised as soon as the accommodation issues have been resolved. </td> </tr> <tr> <td data-bbox="416 703 831 770"> <ul style="list-style-type: none"> Integrate Virtual Office / Siyaya systems and Business process review to improve efficiency </td> <td data-bbox="831 703 1374 770"> Specifications document was finalised. </td> </tr> <tr> <td data-bbox="416 770 831 837"> <ul style="list-style-type: none"> Upgrade of the IT infrastructure and tools of trade. </td> <td data-bbox="831 770 1374 837"> IT infrastructure upgrade was completed. Tool of trade to be finalised in Q1: FY2019/2020 </td> </tr> <tr> <td data-bbox="416 837 831 909"> <ul style="list-style-type: none"> Improve capacity and efficiency of the call centre </td> <td data-bbox="831 837 1374 909"> Filling of vacancies has commenced but not finalised. </td> </tr> </tbody> </table> <p>The above SDMAP is more focused on the short to medium term strategic view to address the current key challenges:</p> <ul style="list-style-type: none"> » Poor management of walk-in (public) clients. » Poor turnaround on complaints / enquiries resolution. » Lack of customer-focused culture. » Poor turnaround to take incoming calls. 	SDMAP OBJECTIVES	ACTUAL PERFORMANCE	<ul style="list-style-type: none"> To roll out Queue Management System (QMS) to service points. 	QMS was rolled out to 119 sites/labour centres. The 8 remaining sites/labour centres will be finalised as soon as the accommodation issues have been resolved.	<ul style="list-style-type: none"> Integrate Virtual Office / Siyaya systems and Business process review to improve efficiency 	Specifications document was finalised.	<ul style="list-style-type: none"> Upgrade of the IT infrastructure and tools of trade. 	IT infrastructure upgrade was completed. Tool of trade to be finalised in Q1: FY2019/2020	<ul style="list-style-type: none"> Improve capacity and efficiency of the call centre 	Filling of vacancies has commenced but not finalised.
SDMAP OBJECTIVES	ACTUAL PERFORMANCE										
<ul style="list-style-type: none"> To roll out Queue Management System (QMS) to service points. 	QMS was rolled out to 119 sites/labour centres. The 8 remaining sites/labour centres will be finalised as soon as the accommodation issues have been resolved.										
<ul style="list-style-type: none"> Integrate Virtual Office / Siyaya systems and Business process review to improve efficiency 	Specifications document was finalised.										
<ul style="list-style-type: none"> Upgrade of the IT infrastructure and tools of trade. 	IT infrastructure upgrade was completed. Tool of trade to be finalised in Q1: FY2019/2020										
<ul style="list-style-type: none"> Improve capacity and efficiency of the call centre 	Filling of vacancies has commenced but not finalised.										
<p>Performance highlights</p>	<ul style="list-style-type: none"> The actual annual performance is as follows: Unemployment benefits: 94% of claims were finalised over a target of 90% within 15 days of receipt, In-service: 92% of claims were finalised over a target of 90% within 10 days of receipt and Dependants benefits: 92% of claims were finalised over a target of 90% within 20 days of receipt. 										

PUBLIC EMPLOYMENT SERVICES

<p>Problem statement – Identified key service</p>	<ul style="list-style-type: none"> South Africa is faced with high levels of unemployment, with most of the unemployed people having low levels of education and training, which make it difficult for them to access the labour market. There is a gap between skills demanded by the labour market and those possessed by registered work-seekers. Unemployed people find it difficult to access available job and learning opportunities due to numerous problems, including the following: <ul style="list-style-type: none"> » Low level skills and education of work-seekers » Lack of required experience by employers. » Skills mismatch between skills required by the labour market and skills supplied by the Education & Training system. » Lack of resources to assist work-seekers with skills required by employers and labour migration requirements around the country. The Project Education for Employability has been established and agreed between the 3 Departments (Department of Basic Education, Department of Higher Education and Training and Department of Labour) to address challenges related to Education, Training and Skills mismatch with the labour market demands. PES capacity needs and gap analysis study has been undertaken to determine the extent of the challenge, in order to take required remedial actions. Implementation of the recommendations was discussed by PES at its last BMC meeting held on the 28th March 2019.
<p>Performance highlights</p>	<ul style="list-style-type: none"> A total of 49 968 work-seekers were placed in work and learning opportunities over and above the target of 42 500. The target was over achieved by 7 468.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a service delivery improvement plan. The following tables highlight the service delivery plan and the achievements to date.

MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT																																																												
Compensation Fund: 1. Claims for Compensation Benefits: (temporary disablement, permanent disablement and pension payment)	Employees: Dependents, injured or acquired diseases on duty Beneficiaries: Employee's widow/, widowers or children	90% of compensation claims adjudicated within 40 working days of receipt	100% of registered compensation claims adjudicated within 15 working days of receipt	94% of compensation claims adjudicated within 40 working days of receipt. (Achieved) <table border="1"> <thead> <tr> <th>CLAIMS</th> <th>NUMBER OF CLAIMS</th> </tr> </thead> <tbody> <tr> <td>Registered</td> <td>156 223</td> </tr> <tr> <td>Accepted</td> <td>128 741</td> </tr> <tr> <td>Not accepted</td> <td>0</td> </tr> <tr> <td>Under investigation</td> <td>92</td> </tr> <tr> <td>Repudiated</td> <td>0</td> </tr> <tr> <td>Adjudicated within 40 working days</td> <td>146 664</td> </tr> <tr> <td>Total adjudication</td> <td>152 795</td> </tr> <tr> <td>Actual performance:</td> <td>94%</td> </tr> <tr> <td>Variance:</td> <td>4%</td> </tr> </tbody> </table>	CLAIMS	NUMBER OF CLAIMS	Registered	156 223	Accepted	128 741	Not accepted	0	Under investigation	92	Repudiated	0	Adjudicated within 40 working days	146 664	Total adjudication	152 795	Actual performance:	94%	Variance:	4%																																								
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Public Employment Services: Work-seekers placed in employment opportunities	Unemployed. Under-employed. Retrenched People with Disabilities Employers	Annual Target: 42 500 registered employment opportunities filled by registered work-seekers per year	47 500 registered employment opportunities filled by registered work-seekers per year	49 968 of registered employment opportunities were filled by registered work-seekers (Achieved) <table border="1"> <thead> <tr> <th>OFFICE</th> <th>REGISTERED WORK-SEEKERS</th> <th>PLACED AGAINST THE REGISTERED EMPLOYMENT OPPORTUNITIES</th> <th>% PERFORMANCE</th> </tr> </thead> <tbody> <tr> <td>PES-online</td> <td>45 558</td> <td>1</td> <td>0%</td> </tr> <tr> <td>EC</td> <td>104 656</td> <td>7 303</td> <td>7%</td> </tr> <tr> <td>FS</td> <td>60 038</td> <td>5 434</td> <td>9%</td> </tr> <tr> <td>GP</td> <td>217 486</td> <td>9 473</td> <td>4%</td> </tr> <tr> <td>KZN</td> <td>134 760</td> <td>8 593</td> <td>6%</td> </tr> <tr> <td>LP</td> <td>70 419</td> <td>5 036</td> <td>7%</td> </tr> <tr> <td>MP</td> <td>62 864</td> <td>3 157</td> <td>5%</td> </tr> <tr> <td>NC</td> <td>29 614</td> <td>2 959</td> <td>10%</td> </tr> <tr> <td>NW</td> <td>50 118</td> <td>2 293</td> <td>5%</td> </tr> <tr> <td>WC</td> <td>113 040</td> <td>5 719</td> <td>5%</td> </tr> <tr> <td>TOTAL</td> <td>888 553</td> <td>49 968</td> <td>6%</td> </tr> </tbody> </table>	OFFICE	REGISTERED WORK-SEEKERS	PLACED AGAINST THE REGISTERED EMPLOYMENT OPPORTUNITIES	% PERFORMANCE	PES-online	45 558	1	0%	EC	104 656	7 303	7%	FS	60 038	5 434	9%	GP	217 486	9 473	4%	KZN	134 760	8 593	6%	LP	70 419	5 036	7%	MP	62 864	3 157	5%	NC	29 614	2 959	10%	NW	50 118	2 293	5%	WC	113 040	5 719	5%	TOTAL	888 553	49 968	6%							
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COMPENSATION FUND (CF):

Batho Pele arrangements with beneficiaries (consultation access etc.)

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Consultation	<ul style="list-style-type: none"> Conduct 9 Advocacy/ outreach sessions with provinces per quarter by 2021 	Conduct 3 employees and employers advocacy forums per quarter with provinces.	<p>Actual Performance: 83 advocacy sessions were held around the country targeting employers, employees and organised labour.</p> <p>Variance: 71</p> <p>Reason for Variance: The information sharing on the new assessment model and Public hearings on COID amendment Bill were additional work that was not planned for. Others were the requests from various organisations.</p>
	<ul style="list-style-type: none"> 2 Commissioners staff meeting per semester by 2021 	1 Commissioners staff meeting per semester by 2019	<p>Actual Performance: 10 Commissioner's Staff meetings were held.</p> <p>Variance: None</p> <p>Reason for Variance: None</p>
	<ul style="list-style-type: none"> 12 internal electronic Newsletter produced and circulated to all CF staff per year 	12 internal electronic Newsletter produced and circulated to all CF staff by 31st March 2019	<p>Actual Performance: 12 electronic newsletter produced and circulated</p> <p>Variance: None</p> <p>Reason for Variance: None</p>
Courtesy	<ul style="list-style-type: none"> All service beneficiaries should be treated in accordance with the approved service charter 100% of the time 	Service standards and charter displayed at all entry points by 2019	<p>Actual Performance: Service charter, service standards and Batho Pele principles were displayed at entry points.</p> <p>Variance : None</p> <p>Reason for Variance: None</p>
Access	<ul style="list-style-type: none"> Operational CF call centre 	Operational CF call centre	<p>Actual Performance: CF contact centre has been operational since 2017, however in Q4 there were 5 days of downtime.</p> <p>Variance: None</p> <p>Reason for Variance: There were technical challenges due to the movement of the data centre and PABX fault.</p>
	<ul style="list-style-type: none"> Operational on-line services for claim and medical services 	<ul style="list-style-type: none"> Operational on-line services for claim and medical services 	<ul style="list-style-type: none"> Actual Performance: Umehluko system is operational. Variance: 3 days down time Reason for Variance: Down time due to the movement of the data centre.
	<ul style="list-style-type: none"> Online services for employer registration, submission and payment of return of earnings 126 Labour Centres 2 Self Help kiosks at HQ Walk In centre 	<ul style="list-style-type: none"> Online services for employer registration, submission and payment of return of earnings 126 Labour Centres 2 Self Help kiosks at HQ Walk In centre 	<p>Actual Performance: Self Help kiosks were installed in 62 Labour centres.</p> <p>Variance: 64</p> <p>Reason for Variance: The delay to get PES submission approval for CF and UIF to deploy the 64 remaining kiosks</p> <p>Intervention: CF will procure 32 of the remaining 64 self-help kiosks by end of March 2020.</p> <p>The requisitions and all SCM documents have been submitted to SCM to source the kiosks through the SITA contract.</p>

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Information	% brochures, pamphlets and posters (translated to least 1 or 2 local languages) on- <ul style="list-style-type: none"> • Know your rights and responsibilities • Service standards and charters • YOU and COIDA (in 11 languages) 	Update, publish and display CF services information, services standards as well as waiting times and turnaround times on the website and all contact centres by 31 March 2019	Actual Performance: The service standards with waiting and turnaround time were not finalised. Variance: CF services information, services standards with waiting times and turnaround times were not published and displayed. Reason for Variance: the service standards exercise conducted in Q2 –Q3. However the results were not conclusive. Intervention: The update and review of the service standards and turnaround times will be conducted in Q2 to Q4 of the FY2019/20.
	Conduct 10 Mall Activations by 31 March 2021	Conduct 4 mall activations by 31 March 2019	Actual Performance: 12 mall activation conducted in 4 provinces. Variance : None Reason for Variance: None
	Secure 12 radio interviews/talk shows by 31 March 2019	Secure 12 radio interviews/talk shows by 31 March 2019	Actual Performance: 12 Provincial radio talk shows coordinated in 4 provinces. Variance : None Reason for Variance: None
Openness and Transparency	Display contact details, service charter, service standards and BP principles at all offices. Social media in all 11 languages. Publish on the website:	Display at all offices and publish on the website: Know your rights leaflet Service Charters Service Standards Batho Pele Principles	Actual Performance: Service charter, service standards and Batho Pele principles were displayed at entry points and were published on the Department 's website. Variance : None Reason for Variance: None
	<ul style="list-style-type: none"> • Annual Performance Report • Contact details of all managers 	Annual Performance Report publication	Actual Performance: The Annual Performance Report for the FY2017/18 was published during Q2 for the year under review. Variance : None Reason for Variance: None
	Complaints Resolution process on website and all entry points	Complaints Resolution process on website and all entry points	Actual Performance: The Complaints Resolution process document is displayed at the walk-in-centre and the contact details of complaints officials published on the website. Variance: None Reason for Variance: None

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Redress	Acknowledge all complaints receipt within 24 hours and resolve complaints within 14 working days of receipt and offer an apology to a client who is dissatisfied	Acknowledge all complaints receipt within 24 hours and resolve complaints within 14 working days of receipt and offer an apology to a client who is dissatisfied	<p>Actual Performance: 2013 of complaints were acknowledged in 24hrs.</p> <p>2013 complaints were received and 745 were resolved within 14 working days which is 37% resolution rate for annual achievement</p> <ul style="list-style-type: none"> The complaints were resolved in average of 21 days Query tracking tool and procedure manual were implemented in Q4. <p>Variance: -7 working days</p> <p>Reason for Variance:</p> <ul style="list-style-type: none"> Low resolution rate is due to delays in processing by back office. Some complaints are just new queries and require following the processing steps which are over 14 working days to complete. Lack of required supporting documentation. This is because some complaints are over 10 years. <p>Intervention: CF OCOO established operations management forum which comprises of Chief Directors And Directors. This committee is meant to provide quality assurance of strategic and performance information management documents and the review of service delivery related matters</p>
	Contact details of customer care, Public Liaison Officers, Manager and Director on the website and entry points	Contact details of customer care, Public Liaison Officers, Manager and Director on the website and entry points	<p>Actual Performance: The contact details of Complaints officials published on the website.</p> <p>Variance : None</p> <p>Reason for Variance: None</p>
	100% of contact centres with Complaints, Compliments and suggestions boxes	100% of contact centres with Complaints, Compliments and suggestions boxes	<p>Actual Performance:</p> <ul style="list-style-type: none"> CF has a customer care box at the walk-in centre There is an email distribution list for internal staff suggestion mechanism. <p>Variance: No box at CF's reception area.</p> <p>Reason for Variance: The box for reception could not be procured during the financial year</p> <p>Intervention: Communication Unit to procure the box by end of Q2 -FY2019/2020</p>
Value for Money	Reduce turnaround time to adjudicate the compensation claims (15 working days) and to finalise medical invoices (25 working days) by 2021 Increase in the number of CF-filing users by 31 March 2021	Improve number of employers registered for CF-filing online services by 31st March (annual target 25 000)	<p>Due in year 3 (FY2020/21)</p> <p>Actual Performance: A total of 25 820 (which is 101% achievement) new employers were registered via CF-filing online system.</p> <p>Variance: None</p> <p>Reason for Variance: None</p>

UNEMPLOYMENT INSURANCE FUND (UIF)

Batho Pele arrangements with beneficiaries (Consultation access etc.)

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS																			
Consultation	8 compliance workshops to be held with Service beneficiaries to educate and inform them about the services offering	4 Compliance workshops with stakeholders by 31 March 2019	Actual Performance: 6 compliance workshops with stakeholders were conducted by 31 March 2019																			
			<table border="1"> <thead> <tr> <th>DATE</th> <th>VENUE</th> <th>FOCUS AREA</th> </tr> </thead> <tbody> <tr> <td>24 - 26 April 2018</td> <td>Western Cape</td> <td>• Training on the Inspection and Enforcement Services Standard Operating Services</td> </tr> <tr> <td>5 - 6 July 2018</td> <td>1st floor UIF HQ</td> <td>• Employer Audit Services Workshop</td> </tr> <tr> <td>3 - 4 Dec 2018</td> <td>Limpopo</td> <td rowspan="3">• Employer Audit Services Training on UIC Act amendments • Contributions calculation spreadsheet and • Filing modernisation</td> </tr> <tr> <td>6 - 7 Dec 2018</td> <td>Gauteng</td> </tr> <tr> <td>10 - 11 Dec 2018</td> <td>Western Cape</td> </tr> <tr> <td>13 - 14 Dec 2018</td> <td>Free State</td> <td></td> </tr> </tbody> </table>	DATE	VENUE	FOCUS AREA	24 - 26 April 2018	Western Cape	• Training on the Inspection and Enforcement Services Standard Operating Services	5 - 6 July 2018	1 st floor UIF HQ	• Employer Audit Services Workshop	3 - 4 Dec 2018	Limpopo	• Employer Audit Services Training on UIC Act amendments • Contributions calculation spreadsheet and • Filing modernisation	6 - 7 Dec 2018	Gauteng	10 - 11 Dec 2018	Western Cape	13 - 14 Dec 2018	Free State	
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13 - 14 Dec 2018	Free State																					
Variance : None																						
Reason for Variance: None																						
		27 Provincial support visits conducted by 31 March 2019	Actual Performance: 71 Provincial Support Visits were conducted to ensure compliance with the amended UI Act, Policy, Standard Operation Guide (SOG) and adherence to turnaround times to finalise the claims. Variance : None Reason for Variance: None																			
		36 Provincial communication campaigns conducted	Actual Performance: 66 Provincial communication campaigns were conducted. Variance : None Reason for Variance: None																			
Courtesy	All service beneficiaries should be treated in accordance with the approved service charter 100% of the time	Prominently display the service charter and service standards	Actual Performance: Service charters, service standards, Batho Pele principles displayed at each floor. Variance: No service charter and service standards are displayed at the entrance (UIF HQ). The land lord indicated that the Fund is not the only lessee with access to the building. Permission has been granted to display posters at different floors that are being used by UIF. Reason for Variance: The land lord does not allow the Fund to hang frames at the entrance/reception area.																			
		Procure nametags for all new UIF officials	Actual Performance: 435 officials have nametags. Variance: Newly appointed officials require nametags. Reason for Variance: Staff movement (new appointees)																			

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
		<ul style="list-style-type: none"> Acquire and pilot an electronic queue management systems, (inclusive of rating devise for complaints, compliments and suggestions) by 31 March 2019 	<p>Actual Performance: 90 sites have been completed out of 126 as per the roll out plan.</p> <p>Variance:-30 sites</p> <p>Reason for Variance: None</p>
		<ul style="list-style-type: none"> 70% of UIF front line officials to be trained on Batho Pele standards, customer care service, sign language etc) 	<p>Actual Performance: No training was undertaken.</p> <p>Variance: None</p> <p>Reason for Variance: None</p>
Access	<p>Clients have access to the services through:</p> <p>1 UIF Call Centre</p> <p>Walk-ins:</p> <ul style="list-style-type: none"> Visiting points 40 Satellite offices 126 Labour Centres 	<ul style="list-style-type: none"> Roll out 50 Self-help services (kiosk) to 50 LCs by 31 March 2019 	<p>Actual Performance: 281 Self-help kiosks are installed in 58 Labour Centres. This indicates an increase in access for online services.</p> <p>Variance: None</p> <p>Reason for Variance: None</p>
Information	<p>All brochures, pamphlets and posters (translated to least 1 or 2 local languages) on:</p> <ul style="list-style-type: none"> Know your rights and responsibilities Service standards Queue waiting times and turnaround times published on the website and prominently displayed. 	<ul style="list-style-type: none"> Update, publish and display 100% of UIF services information, services standards and waiting times and turnaround times on the website and all contact centres by 31 March 2019 	<p>Actual Performance: Service information and standards are displayed at all contact centres and published on the website</p> <p>Variance: None</p> <p>Reason for Variance: None</p> <p>The UIF is planning to advertise through newspapers, wall charts that will include turnaround time. The completion date is 30 June 2019.</p>
Openness and Transparency	<p>Display at all offices and publish on the website:</p> <ul style="list-style-type: none"> Know your rights leaflet Service Charters Service Standards Batho Pele Principles Annual Performance Report Redress mechanisms 	<p>Display at all offices and publish on the website:</p> <ul style="list-style-type: none"> Know your rights leaflet Service Charters Service Standards Batho Pele Principles Annual Performance Report Redress mechanisms Principles Annual Performance Report Redress mechanisms on the website and displayed at all offices. 	<p>Actual Performance: Batho Pele Principles, Service Standards and Service Charters are displayed in all offices and published on the website.</p> <p>Variance: None</p> <p>Reason for Variance: None</p> <p>For the current year Z folders in English with amendments are ready and will be displayed at all offices. The completion date is 30 June 2019.</p>

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Redress	<ul style="list-style-type: none"> Acknowledge all complaints receipt within 24 hours and resolve complaints within 14 working days of receipt and offer an apology to a client who is dissatisfied 	<ul style="list-style-type: none"> Acknowledge all complaints receipt within 24 hours 	<p>Actual Performance: All written complaints received were acknowledged within 24 hours of receipt.</p> <p>Variance : None</p> <p>Reason for Variance: None</p>
	<ul style="list-style-type: none"> Resolve 95% of complaints within 14 days of receipt and offer an apology to a client who is dissatisfied. 	<ul style="list-style-type: none"> Resolve 90% of complaints within 14 days of receipt and offer an apology to a client who is dissatisfied. 	<p>Actual Performance: For the period under review 4 625 complaints were received and 3 307 were resolved within 14 working days. Therefore, 80% was achieved</p> <p>Variance: 10%</p> <p>Reason for Variance: Delay in submitting the outstanding documents from clients and IT system down time.</p>
	<ul style="list-style-type: none"> 100% of contact centres with Complaints, Compliments and Suggestions boxes 	<ul style="list-style-type: none"> 100% of contact centres with complaints, compliments and suggestion boxes 	<p>Actual Performance: Help desks have complaints, compliments and suggestions boxes.</p> <p>Variance: None</p> <p>Reason for Variance: None</p>
Value for Money	<ul style="list-style-type: none"> 60 000 of claims submitted online by 31 March 2021 	<ul style="list-style-type: none"> 25 000 claims submitted online by 31 March 2019 	<p>Actual Performance: 24 694 claims were submitted online</p> <p>Variance: -306</p> <p>Reason for Variance: The inefficiencies within uFiling are impacting the numbers.</p> <p>Intervention: Modernisation of uFiling to address the challenges.</p>
	<ul style="list-style-type: none"> 30 000 increase in the number of U-filing users by 31 March 2021 	<ul style="list-style-type: none"> 20 000 increase in the number of U-filing users by 31 March 2019 	<p>Actual Performance: The number of U-filing users was increased by 15 484</p> <p>Variance: -4 516</p> <p>Reason for Variance: The inefficiencies within uFiling are impacting the numbers.</p> <p>Intervention: Modernisation of uFiling to address the challenges by end of 2020</p>

PUBLIC EMPLOYMENT SERVICES (PES)

Batho Pele arrangements with beneficiaries (Consultation access etc.)

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
Consultation	Conduct 287 advocacy campaigns per annum	Conduct 261 advocacy campaigns per annum Annual Target 261	Actual Performance: 383 advocacy campaigns were conducted. Variance : 122 Reason for Variance: High demand for advocacy campaigns
Courtesy	Adherence to the service charter at all offices	Adherence to the service charter at all offices	Actual Performance: The service charter was approved and published for implementation. Variance : None Reason for Variance: None
Access	15% clients use online services	5% clients use online services by 31 March 2019	Actual Performance: 45 558 work-seekers registered online, which is 5% of total registrations of 888 553. Variance : None Reason for Variance: None
	Self-help services (kiosk) available at 40 LCs	Self-help services (kiosk) available at 21 LCs	Actual Performance: 281 Self-help kiosks are installed in 58 labour centres. This indicates an increase in access for online services. Variance : None Reason for Variance: None
Information	Update, publish and display relevant PES services information, services standards and waiting times and turnaround times on the website and all contact centres by 31 March 2021	Updated, publish and display relevant PES services information, services standards and waiting times and turnaround times on the website and all contact centres by 31 March 2019	Actual Performance: The service standards were approved and published. Variance : None Reason for Variance: None
Openness and Transparency		Display and publish: <ul style="list-style-type: none"> • Know your rights leaflet • Service Charters • Service Standards • Batho Pele Principles • Annual Performance Report 	Actual Performance: Displayed in all offices and published on the website Variance : None Reason for Variance: None
Redress	<ul style="list-style-type: none"> • Acknowledge all complaints receipt within 24 hours • Resolve 95% complaints within 14 days of receipt and offer an apology to a client 	Acknowledge all complaints receipt within 24 hours Resolve 90% of complaints within 14 working days of receipt and offer an apology to a client who is dissatisfied	Actual Performance: No complaints were received in respect of the key service under review. Variance: None Reason for Variance: None

BPP	CURRENT/ACTUAL ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
	Redress process at all contact centres, on the website and social media	Redress process at all contact centres, on the website and social media	<p>Actual Performance: Redress process is outlined in the approved Policy on Complaints, Suggestions and Compliments.</p> <p>Variance: For social media are still being developed.</p> <p>Reason for Variance: Social media application has not been finalised.</p> <p>Intervention: Follow up with the OCIO to expedite development of social media applications in the new FY.</p>
Value for Money	15% of clients use online services by 2021	5% clients use online services (5% of registered work-seekers)	<p>Actual Performance: 45 558 work-seekers were registered online, which is 5% of total registrations of 888 553.</p> <p>Variance : None</p> <p>Reason for Variance: None</p>

SERVICE DELIVERY INFORMATION TOOL

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENTS
DPSA Operations Management Framework has been adopted and is being implemented. Manual SDIP reporting tool (Ms Word)	<ul style="list-style-type: none"> Automated Performance Information System to monitor and report on implementation 4 QR and 1 AR SDIP implementation report produced and approved as per set timelines reports were produced and approved 	<p>The SDIP for the new cycle was approved by the Minister.</p> <p>4 QR and 1 AR SDIP implementation reports were produced and approved within the set timelines.</p>

COMPLAINTS MECHANISM

CURRENT/ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
<p>DPSA Complaint Management Framework has been adopted</p> <ul style="list-style-type: none"> Policy and Procedure Manual is in place. Various platforms available to lodge complaints. Complaints received are recorded on the register. Periodic (Q1-Q4quarter) complaint resolution reports 	Automated Customer Interaction Centre system to lodge, monitor and report on complaints.	<ul style="list-style-type: none"> Policy and Procedure Manual is in place. Various platforms available to lodge complaints Complaints received are recorded on the register. Periodic (Q1-Q4) complaint resolution reports were produced and approved.

3. STRATEGIC OUTCOME ORIENTED GOALS: MEDIUM TERM STRATEGIC FRAMEWORK (MTSF): 2014/15 -2019/20

3.1 SERVICE DELIVERY OUTCOMES AND DEPARTMENTAL STRATEGIC GOALS

The Department of Labour 2018/19 Annual Report is based on the following MTSF Outcomes (aligned to the APP and SP tabled in March 2018)

- **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.

Department of Labour's Strategic Goals:

- **Strategic Goal 1:** Promote occupational health services
- **Strategic Goal 2:** Contribute to decent employment creation
- **Strategic Goal 3:** Protect vulnerable workers
- **Strategic Goal 4:** Strengthen multilateral and bilateral relations
- **Strategic Goal 5:** Strengthen occupational safety protection
- **Strategic Goal 6:** Promote sound labour relations
- **Strategic Goal 7:** Monitor the impact of legislation
- **Strategic Goal 8:** Strengthen the institutional capacity of the Department
- **Strategic Goal 9:** Development of the occupational health and safety policies
- **Strategic Goal 10:** Promote equity in the labour market.

TO ADDRESS THE ABOVE MTSF OUTCOMES, THE DEPARTMENT IS MANDATED TO IMPLEMENT THE FOLLOWING STRATEGIC GOALS:

(MTSF OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH
Department's Strategic Goals	<ol style="list-style-type: none"> 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
(MTSF OUTCOME 5)	A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH
Department's Strategic Goal	2. Contribute to decent employment creation
(MTSF OUTCOME 11)	CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD
Department's Strategic Goal	4. Strengthen multilateral and bilateral relations
(MTSF OUTCOME 12)	AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE
Department's Strategic Goal	8. Strengthen the institutional capacity of the Department
(MTSF OUTCOME 14)	TRANSFORMING SOCIETY AND UNITING THE NATION
Department's Strategic Goal	10. Promote equity in the labour market

3.2 PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE 5 YEAR TARGETS

Strategic Outcome-Oriented Goals – Medium-Term Strategic Framework (MTSF): 2014/15 – 2019/20

3.2.1 PROGRAMME 1: ADMINISTRATION

STRATEGIC GOALS FOR THE FINANCIAL YEAR UNDER REVIEW: 2018/19

(OUTCOME 12)	AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE
Department's Strategic Goal	8. Strengthen the institutional capacity of the Department (by ensuring that the Department is adequately resourced with infrastructure and human capital necessary for efficient service delivery)

Strategic objectives, performance indicators, planned targets and actual achievements:

The main purpose of the programme is to provide strategic leadership, management and support services to the department. The programme contributes largely to Strategic Outcome Oriented Goal 5 and Outcome 12, and the Department's strategic goal that states "strengthen the institutional capacity of the Department (by ensuring that the department is adequately resourced with infrastructure and human capital necessary for efficient service delivery)". The programme achieved 3 out of 4 performance indicators in the year under review which represents 75% achievement and it is an improvement from the previous financial year. The area of non-achievement will be given more attention in the new financial by ensuring that the governance issues that were raised under the M-PAT assessment are monitored closely.

How has Administration accelerated the attainment of NDP goals of reducing unemployment, poverty and inequality?

While Corporate Services acts as a support function in the Department, it does that while addressing the fundamental redistribution imperatives. The key areas that assist in doing this are primarily procurement processes and human resources management. There are legislated requirements that govern the administration of these two important components.

Redress procurement

- The basis of government procurement demands that any sourcing of goods and services should be done in a fair, equitable and transparent manner.
- The need to balance the transformational agenda of the state and the efficiency and cost effectiveness required in procuring goods and services
- Strategic sourcing of goods and services which should result in growth and wealth creation of local businesses and creation of jobs.
- The use of the central supplier database managed by the Treasury is key to addressing inconsistencies during the procurement process.
- Reduction of barriers to entry and ease of doing business with government especially for small businesses e.g. through set asides current requirements specifies at least 30% set aside for a specified amount of procurement (SMME's, CO-OPs, Township and Rural Enterprises)
- Reporting to treasury on the procurement statistics of the department to monitor attainment of set requirements.
- The Department of Labour procures in line with the requirements as stipulated by the Treasury and reports on these on a regular basis.
- A consolidated report indicating the procurement statistics is compiled and specifies procurement according to BBEE level, Black Owned, Women and Youth.

Human resources management

The human resources management within Public service is governed by the Chapter 10 of the Constitution which among others stipulates that services must be provided impartially, fairly equitably and without bias; and that the public administration must be broadly representative of the South African people.

The Public Service Act also re-emphasises the need for transformation, reform and need to improve effectiveness and efficiency of the Public service

The HRM within the Department in response to the current challenges that are a drawback to the transformation of the public service is doing the following;

- The development and adoption of the HR Plan
- Involvement of the line function units in developing the HR Plan and the HRD strategy
- Re-organising of the HR functions for improved effectiveness and efficiency.

As part of the contribution towards decent employment creation, the focus has been on unemployed youth through the appointment of 55 interns. The main area of recruitment is IT. Interns are appointed on a 12 months contract to give them work exposure and prepare them for work readiness.

Reducing inequality

The three-year approved Employment Equity (EE) Plan (2015 – 2018) of the Department ended on 30 August 2018. To ensure an effective the implementation of the EE Plan provincial and national consultative structures have been established and are operational, and Senior Managers are appointed to oversee the implementation of various employment equity plans with DDG: Corporate Services as an overall overseer appointed as an Employment Equity Manager. In order to address some of the employment equity barriers and to ensure advancement of internal workforce, the following training and development interventions have been implemented:

- Foundation Management Development Programme (90 employees enrolled)
- Emerging Management Development Programme enrolled (167 employees enrolled)
- Advanced Management Development Programme (77 employees enrolled)
- Executive Development Programme (5 employees enrolled).

PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE FIVE-YEAR MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF) TARGETS

OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
1. Provide strategic management and support services to the Department	37% of total Department's M-PAT standards per KPI are at level 3 and level 4 as at 31 March 2016.	MTSF DPME five-year target for M-PAT by 2020 is that 80% of all government departments must be at 50% compliance (50% level 3 and 4 M-PAT standards). The Department's target is 50% which is in line with the envisaged national average.	20% of total Department's M-PAT standards at level 3 and 4 based on the final MPAT 1.8 report by DPME	25% of total Department's M-PAT standards at level 3 and 4 by March 2019 based on the final M-PAT 1.8 report	A number of departmental policies need to be updated, late submission of documents and delays in addressing recurring audit /AG findings resulted in level 2 compliance
Effective financial management and governance	2014/15 Annual report submitted to the National Treasury by 31 May 2015 3 IFS reports were submitted to the National Treasury on due dates as determined by National Treasury.	3 Interim Financial Statements (IFS) and 1 Annual Financial Statement (AFS) per annum.	Produced 3 Interim Financial Statements (IFS) and 1 Annual Financial Statement (AFS) per annum	None	None

OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE

STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS																																																						
Effective supply chain management	<p>A total of 13 cases amounting to R29 477 147.66 for irregular expenditure were detected and reported for the 2015/16 financial year.</p> <p>A total of 16 cases amounting to R82 074.92 for fruitless and wasteful expenditure were detected and reported for the 2015/16.</p>	100% of detected cases reported	<p>Irregular expenditure:</p> <table border="1"> <thead> <tr> <th>FIN YR</th> <th>CASES</th> <th>R-VALUE</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>37</td> <td>798 696.50</td> </tr> <tr> <td>2015/16</td> <td>13</td> <td>29 477 147.66</td> </tr> <tr> <td>2016/17</td> <td>23</td> <td>257 657.79</td> </tr> <tr> <td>2017/18</td> <td>14</td> <td>1 236 548.09</td> </tr> <tr> <td>2018/19</td> <td>26</td> <td>3 446 415.51</td> </tr> </tbody> </table> <p>Fruitless and Wasteful expenditure :</p> <table border="1"> <thead> <tr> <th>FIN YR</th> <th>CASES</th> <th>R-VALUE</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td></td> <td>n/a</td> </tr> <tr> <td>2015/16</td> <td>16</td> <td>82 074.92</td> </tr> <tr> <td>2016/17</td> <td>42</td> <td>129 091.84</td> </tr> <tr> <td>2017/18</td> <td>98</td> <td>4 024 383.02</td> </tr> <tr> <td>2018/19</td> <td>399</td> <td>4 450 475.23</td> </tr> </tbody> </table> <p>Unauthorised expenditure</p> <table border="1"> <thead> <tr> <th>FIN YR</th> <th>CASES</th> <th>R-VALUE</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td></td> <td>None</td> </tr> <tr> <td>2015/16</td> <td></td> <td>None</td> </tr> <tr> <td>2016/17</td> <td></td> <td>None</td> </tr> <tr> <td>2017/18</td> <td></td> <td>None</td> </tr> <tr> <td>2018/19</td> <td></td> <td>None</td> </tr> </tbody> </table>	FIN YR	CASES	R-VALUE	2014/15	37	798 696.50	2015/16	13	29 477 147.66	2016/17	23	257 657.79	2017/18	14	1 236 548.09	2018/19	26	3 446 415.51	FIN YR	CASES	R-VALUE	2014/15		n/a	2015/16	16	82 074.92	2016/17	42	129 091.84	2017/18	98	4 024 383.02	2018/19	399	4 450 475.23	FIN YR	CASES	R-VALUE	2014/15		None	2015/16		None	2016/17		None	2017/18		None	2018/19		None	None	None
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3.2.2 PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES (IES)

Strategic goals for the financial year under review: 2018/19

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE GROWTH
Department's strategic goal	1. Promote occupational health services 9. Development of the occupational health and safety policies 3. Protect vulnerable workers 5. Strengthen occupational safety protection
(OUTCOME 14)	TRANSFORMING SOCIETY AND UNITING THE NATION
Department's strategic goal	10. Promote equity in the labour market

Accelerated attainment of NDP goals of reducing unemployment, poverty and inequality:

- Incident investigations are meant to reduce the number of incidents taking place and consequently reducing or eliminating the unemployment of workers who may have become disabled thereby resulting in them becoming another number in relation to poverty. In conducting employment equity inspections and inspections in the basic conditions of employment, the main purpose is to ensure that the inspector contributes to reducing or eliminating unemployment, poverty and inequality.

PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE 5 YEAR MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) TARGETS

OUTCOME4: DECENT EMPLOYMENT THROUGH INCLUSIVE GROWTH SUB-OUTCOME 7: WORKPLACE CONFLICT IS REDUCED AND COLLABORATION BETWEEN GOVERNMENT, ORGANISED BUSINESS AND ORGANISED LABOUR IMPROVES							
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT			DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
Strengthen implementation of existing labour regulations to improve the protection of vulnerable workers and create decent work environment as well as address labour market inefficiencies	• 181 548 inspections conducted	Increase in number of inspections and follow ups by 30%	991 738				The over achievement is due to extra effort by some provinces thereby resulting in the overachievement
			YEAR	TARGET	ACTUAL		
			2014/15	180 818	181 548		
			2015/16	172 887	187 497		
			2016/17	175 478	186 456		
			2017/18	217 008	214 946		
			2018/19	218 732	218 919		
TOTAL	964 923	991 738	21% increase in inspections conducted from baseline				

3.2.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES (PES)

THE PROGRAMME HAS OVERSIGHT OVER THE FOLLOWING ENTITIES REPORTING TO THE MINISTER OF LABOUR:

The table below indicates the entities that report to the Minister of Labour:

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Supported Employment Enterprises: (SEE)	PFMA Act of 1999(as amended by Act 29 of 1999) The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	Business Unit of the Department	The Employment Services requires the entity to: <ul style="list-style-type: none"> Facilitate supported employment Provide work opportunities for persons with disabilities Develop and implement programmes that promote employability of PWD including persons with permanent disabilities as defined in the Compensation Act Perform other functions as prescribed by the Minister
Productivity South Africa: (PSA)	Employment Service Act of 2014, 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	<ul style="list-style-type: none"> The functions of Productivity SA are to: Promote a culture of productivity in the workplace Develop relevant productivity competencies Facilitate and evaluate productivity improvement and competitiveness in the workplaces Measure and evaluate productivity in the workplace Maintain a database of productivity and competitiveness systems and to publicise these systems Undertake productivity-related research Support initiatives aimed at preventing job losses Perform any other prescribed function
Unemployment Insurance Fund: (UIF)	The Unemployment Insurance Act of 63 of 2001(UIA) The Unemployment Insurance Fund (UIF) 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 Compensation Fund's (CF) 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

STRATEGIC GOALS FOR THE FINANCIAL YEAR UNDER REVIEW: 2018/19

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH
Department's Strategic Goal	2. Contribute to decent employment creation
(OUTCOME 5)	A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH
Department's Strategic Goal	2. Contribute to decent employment creation

Significant achievements of targets for the strategic objectives and performance indicators for the financial year under review:

Public Employment Services (PES) continued to provide much needed support to unemployed work-seekers. During the 2018/2019 financial year, the Department registered 888 553 work-seekers of which 61% were youth. This is an increase of 223 523 work-seekers. The Department has the largest database of unemployed work-seekers in the country. Employment counsellors provided counselling to 240 695 of these work-seekers of which 178 981 were youth, to address a number of employment barriers and to bring them closer to employment. Given the large number of barriers that work-seekers, have that prevent work-seekers from entering the labour market, the counselling team has been strengthened, by providing another 26 new employment counsellors and eight principal psychologists that commenced employment in the 2018-19 financial year.

Accelerated attainment of NDP goals of reducing unemployment, poverty and inequality:

Public Employment Services (PES) has contributed towards achieving the department's strategic outcome orientated goals, which will invariably impact on the strategic priorities of government - (Employment creation) through the following Extensive advocacy and communication campaigns and job fairs in many parts of the country

- Extensive advocacy and communication campaigns and Job fairs in many parts of the country.
- Employment counselling to unemployed work-seekers to assist them to overcome barriers.
- Strengthened systems to make it easier for work-seekers to register and for employers to register their work opportunities with PES.
- Interact with Business Forums/Chamber of Commerce to outline policy principles and procedure on employment of foreign nationals in the country
- Outreach to the employers, encourage the employers to utilise the Department's database
- Represent the Department on Inter-Clarifying Agency Forum on Migration to address all aspects of migration in the country
- Integrated databases with Home Affairs and National Learner database to further streamline processes.
- Subsidies to the National Councils for people with disabilities to assist them to integrate to open Labour market.
- Assisting work-seekers to access UIF benefits in the event that they cannot be placed.
- Provincial Job fairs to put potential employers in contact with work-seekers.
- Regulating private employment agencies to prevent abuse of work-seekers.
- Issuing recommendations on benchmarking certificates to the Department of Affairs regarding applications for work visas, to facilitate easy entry of people with skills needed by the country and also to prevent the displacement of local labour where there are local skills available.
- Providing training lay-off schemes (in partnership with the UIF) to save jobs, Productivity SA also provides turnaround solutions for companies in distress.

PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE FIVE-YEAR MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF) TARGETS

OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH					
SUB-OUTCOME 9: PUBLIC EMPLOYMENT SCHEMES PROVIDE RELIEF FOR THE UNEMPLOYED AND BUILD COMMUNITY SOLIDARITY AND AGENCY					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
Communicate PES) initiatives and interventions through various channels	859	PES initiatives and interventions communicated through various channels: 2 106	2 640	1 317	High demand to market PES services
Register work-seekers on Employment system of South Africa(ESSA)	618 092	Work-seekers registered on ESSA for opportunities: 3 350 000	3 698 868	348 868	Rise in unemployment and awareness campaigns on PES services resulted in more work-seekers registered.
Provide employment counselling to work-seekers	250 160	Work-seekers provided with employment counselling: 1 330 000	1 087 120	-242 880	Under-achievement was due to: insufficient staff resources – unfilled ESP positions IT system challenges - extensive downtime
Place work-seekers into opportunities	15 570	Work-seekers placed into opportunities: 150 000	109 122	-40 878	Insufficient staff resources – unfilled employment counsellor and ESP positions
Registration of opportunities into ESSA	Initial indicator and target were based on the number of employers who registered opportunities. This was revised in 2014	Opportunities registered on ESSA: 358 000	503 918	145 918	Advocacy campaigns and partnerships established with employers increased the number of opportunities registered by employers

3.2.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS (LP AND IR)

PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE FIVE-YEAR TARGETS

THE PROGRAMME HAS OVERSIGHT OVER THE FOLLOWING ENTITIES REPORTING TO THE MINISTER OF LABOUR:

The table below indicates the entities that report to the Minister of Labour:

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Commission for Conciliation, Mediation and Arbitration (CCMA)	The CCMA is a schedule 3A national public entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (the PFMA). The CCMA's Constitutional mandate is drawn directly from section 23 of the Constitution of the Republic of South Africa that deals with labour relations.	The CCMA receives its grant funding from the National Department of Labour.	See Below

Nature of Operations:

- The CCMA's statutory functions are set out in the Labour Relations Act, 1995 (Act No. 66 of 1995) (the LRA), and are divided into those that are mandatory and those that are discretionary.
- The CCMA's compulsory statutory functions are as follows: Conciliate workplace disputes; arbitrate certain categories of disputes that remain unresolved after conciliation; facilitate consultations regarding large-scale dismissals due to operational requirements; conduct inquiries by arbitrators; establish picketing rules; determine disputes about demarcation between sectors and areas; facilitate the establishment of workplace forums and statutory councils; compile and publish information and statistics about its activities; consider applications for accreditation and subsidy by bargaining councils and private agencies, and administer the Essential Services Committee.
- The CCMA's discretionary functions that enhance delivery of the CCMA mandate, but do not replace the delivery mandatory functions, are as follows: Supervise ballots for unions and employer organisations; provide training on any aspect of employment law; advise a party to a dispute about the procedures to follow; offer to resolve a dispute that has not been referred to the CCMA; make rules on practice and procedure; and publish guidelines on any aspect of the LRA.
- The CCMA's 2018/19 Annual Performance Plan outlined five (5) strategic priorities. The first strategic priority relates to the efficient and effective delivery of the CCMA's statutory mandate. This strategic priority has become increasingly important, given the volatile state of the South African labour market, as evidenced by the constant high caseload year on year, with the 2018/19 financial year not being an exception.
- A total of 193 732 186 902 cases were referred to the CCMA during the 2017/18 financial year, compared to the 186 902 caseload of the previous financial year, and 188 449 of the 2016/17 financial year. The registered increase in the caseload observed year to year exerts pressure on CCMA business processes and poses a risk to the efficiency and effectiveness of the organisation. However, during the financial year under review, the CCMA continued to strive to meet its statutory obligations with respect to its core mandate, to ensure that expeditious social justice is delivered. The increased caseload observed for the reporting period, compared to the previous financial year, requires a review of the utilisation of available resources and capacity to ensure strategic allocation in a bid to continue to meet strategic objectives of the organisation.
- Furthermore, it is necessary for the CCMA to review its Dispute Resolution service delivery model to improve efficiency and effectiveness. The CCMA is also concentrating its efforts to better leverage on technological advancements to sustain the CCMA's impact and reach in the labour market. The South African economy has not been immune to the poor global economic climate, as well as labour market conditions, both locally and internationally. The consequence of increasing electricity tariffs, fuel hikes and commodity price fluctuations will inevitably affect consumers and businesses.
- Regrettably, retrenchment in many instances appears to be the only option. The CCMA's second strategy priority is focused on enhancing and expanding the employment security mechanisms to save jobs and alleviate business distress. The committed efforts of CCMA facilitators in large-scale retrenchment processes ensured that the CCMA exceeded its job saving target that resulted in 41% jobs saved (15 787), against a target of 35%, of those employees likely to be retrenched (38 588). Actual retrenchments were recorded at 21 391 for the year.
- The CCMA's key objective, to enhance the labour market to advance stability and growth, seeks to encourage investor confidence by proactively providing guidance and support in Collective Bargaining matters with an overriding aim to promote labour market stability and economic growth. At the end of the financial year, a total of 5 160 mutual interest disputes were dealt with, compared to the 4 703 mutual interest matters in the previous financial year. This represented a 9.7% increase in potentially strike related matters heard by the CCMA.
- The spike in these matters is indicative of the labour market's heavy reliance on the CCMA in Collective Bargaining disputes, but also the faith of the labour market in the CCMA's ability to support all stakeholders. A settlement rate of 60% was achieved, which is one percentage (1%) higher than the previous year. A total of 187 public interest matters were dealt with during the 2018/19 financial year compared to 136 in the previous year.
- The settlement rate in Public interest (S150) matters is commendable and was recorded at 87% as a result of the CCMA's ongoing proactive monitoring, support and guidance provided to the labour market. The CCMA is not only about delivery of the constitutional injunction of universal access to legislated mandatory services. The CCMA wishes to be innovative and deliver value added services to the benefit of the Users in the labour market. Due to the ever increasing caseload, which is an indication of a labour market that is in distress characterised by conflict and disputes, the CCMA was challenged during the 2018/19 financial year to extend its focus beyond its primary role of dispute resolution, but to concentrate efforts into proactive
- Dispute Management and Prevention (DMP), with various numbers of interventions delivered to the labour market in order to revolutionise and transform workplaces through building knowledge and skills.
- For the 2018/19 financial year, the CCMA had 19 targets, with 18 targets achieved as at the end of the reporting period.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
National Economic Development and Labour Council (NEDLAC)	<p>NEDLAC's Legislative mandate is derived from the following:</p> <ul style="list-style-type: none"> • The NEDLAC Act No. 35 of 1994 • Labour Relations Act 66 of 1995 • Founding Declaration • NEDLAC Constitution • NEDLAC Protocols <p>NEDLAC Legal Mandate is as follows:</p> <ul style="list-style-type: none"> • To strive to promote the goals of economic growth through participation in economic decision-making. • Seek to reach consensus and conclude agreements pertaining to social and economic policy. • Consider all proposed Labour legislation relating to labour market policy before being introduced in Parliament. • Consider all significant changes to the social and economic policy before implementation or introduced in Parliament. • Encourage and promote the formulation of coordinated policy on social and economic matters. <p>Resolving socio-economic disputes (Section 77).</p>	NEDLAC is a schedule 3A public entity, which is fully funded by the Department of Labour to execute its Mandate.	<p>NEDLAC was established to promote economic growth, equity and participation through social dialogue.</p> <p>NEDLAC operates on a consensus basis where constituencies from Government, organised Business, and organised Labour are represented equally on governance structures and all four chambers. Organised Community is only represented in the Development Chamber as well as all governance structures.</p> <p>NEDLAC is operationally structured as follows:</p> <ul style="list-style-type: none"> • Annual Summit • Executive council • Management Council <p>The work of NEDLAC is organised into Four Chambers (Development Chamber, Labour Market Chamber, Public Finance and Monetary Policy and Trade and Industry Chamber)</p>

STRATEGIC GOALS FOR THE FINANCIAL YEAR UNDER REVIEW: 2017/18

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH
Department's strategic goal	<ul style="list-style-type: none"> 2. Contribute to decent employment creation 3. Protect vulnerable workers 6. Promote sound labour relations 7. Monitor the impact of legislation
(OUTCOME 11)	CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD
Department's strategic goal	<ul style="list-style-type: none"> 4. Strengthen multilateral and bilateral relations
(OUTCOME 14)	TRANSFORMING SOCIETY AND UNITING THE NATION
Department's strategic goal	<ul style="list-style-type: none"> 10. Promote equity in the labour market

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS:

Monitor the impact of legislation

Five research studies were completed in line with monitoring the impact of labour legislation in the labour market. Specifically, one research study was looking at the impact of Maternity Protection Legislation on ensuring smooth income to women and protecting them before giving birth, during maternity leave and post leave in order to see if the legislation is yielding its intended objective. The second one was looking at the impact of the training lay-off scheme on workers in companies declared to be under distress- this policy falls within the employment protection legislation. The third research was looking at the impact of affirmative action policy within the employment equity- how legislation and policy are contributing towards redressing the imbalances of the historic legislation in South African labour market based on gender and race. The fourth study was looking at decent work implementation in the agriculture industry where in the living conditions of farm workers were tested against the four principles of the decent work agenda, and lastly a research focusing on how the Department's clients perceive its service rendering processes with the aim of improving on areas where they show dissatisfaction.

Strengthen multilateral and bilateral relations:

The 2030 Development Agenda identified a number of goals that have to be collectively achieved in order to improve lives globally. Goal 8: Decent Work and Economic Growth is the main driver of our international engagements and it is thus our collective responsibility to ensure that instruments that we continue to discuss and accede to, are implemented. This is managed through bilateral and multilateral engagements. Our engagements within the International Labour Organisation (ILO), African Regional Labour Administration Centre (ARLAC), Southern African Development Community (SADC) and African Union (AU), Brazil Russia China South Africa (BRICS) and Group of 20 (G20) remain strategic and require resources for implementation as many countries look upon us for best practices in a number of key areas. Active participation in these multilateral bodies and through bilateral engagements will ensure that South Africa plays a meaningful and influential role in influencing and shaping policy at the international level and promoting social justice.

HOW HAS LP&IR ACCELERATED THE ATTAINMENT OF NDP GOALS OF REDUCING UNEMPLOYMENT, POVERTY AND INEQUALITY?**Monitor the impact of legislation**

In the financial year 2018/19, four annual labour market trend reports were produced to show and inform policy makers the changes that occurred as a result of the implementation of labour legislation in the South African labour market. With the information published, policy makers can develop evidenced based decision that can improve the labour market situation if necessary. The four annual labour market trend reports include:

- (i) Annual Labour Market Bulletin 2017/18 (produced in June 2018)
- (ii) Job Opportunity and Unemployment in the South African labour market (produced in June 2018)
- (iii) Industrial Action report (produced in March 2019)
- (iv) Annual Administrative Statistics for the Department of Labour (produced in March 2019)

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PROGRESS MADE TOWARDS THE ACHIEVEMENT OF THE 5 YEAR MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) TARGETS

OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH					
SUB-OUTCOME 7: WORKPLACE CONFLICT IS REDUCED AND COLLABORATION BETWEEN GOVERNMENT, ORGANISED BUSINESS AND ORGANISED LABOUR IMPROVES					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
<p>The share of unprotected strikes in total strike action</p> <p>Reduction of unprotected strike by improving compliance of the LRA</p>	<p>The results in the Department's Annual Industrial Action 2015 indicate the following:</p> <ul style="list-style-type: none"> • 25 per cent of strike increase between 2014 (88) and 2015 (110). • Of the total strikes in 2015 (110), 55% were recorded as unprotected strikes as compared to 48% in 2014. 	<p>Moderating Workplace Conflict by amending labour relation Act and measuring the impact thereof</p>	<ul style="list-style-type: none"> • Labour Relations Act Amendments on resolving strikes or lockouts that are intractable, violent or may cause a local or national crisis were approved on 1 January 2019. • As part of the amendments, social partners introduced and signed the Accord on Collective Bargaining and Industrial as their commitment to labour peace. • Furthermore, a Code of Good Practice on Collective Bargaining, Industrial Action and Picketing was introduced. 	N/A	N/A
OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH					
SUB-OUTCOME: SETTING STANDARDS TO REDUCE INEQUALITY IN PAY AND MINIMUM WAGES FOR ALL VULNERABLE WORKERS					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
<p>Establish basic standards and minimum wages</p> <p>Moderating Workplace Conflict by amending labour relation Act and measuring the impact thereof.</p>		<p>95% gaps in minimum wage determinations covered.</p>	<p>Reviewed the minimum wages in the following sectors:</p> <ul style="list-style-type: none"> • Wholesale and Retail • Private security sector • Contract Cleaning sector • Domestic Worker Sector • Taxi sector • Hospitality sector • EPWP • Farm worker sector • Forestry sector • Learnership 	None	None
<p>Monitor the impact of labour legislation</p> <p>Promote sound policy framework through research and labour market information analysis</p>	<p>Four Labour market trend reports and two research reports produced annually.</p>	<p>Twenty annual labour market trends and eight final research reports will be produced and disseminated to internal and external stakeholders for decision making.</p>	<p>20 Annual labour market trend reports and 10 Research reports were produced</p>	None	None

OUTCOME 14: TRANSFORMING SOCIETY AND UNITING THE NATION SUB-OUTCOME 2: EQUAL OPPORTUNITIES, INCLUSION AND REDRESS					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
The % of middle and senior management who are African should begin to approximate EEA demographics of the country	Between 10% and 20% of middle and senior management were African.	At least 40% of middle and senior management are African by 2018/19.	As at 31 March 2019: Africans constituted 40.2% and 23.2% of Middle and Senior Management levels respectively. VS: 2018-2019 Annual Employment Equity Report (19 th CEE Annual Report)	African representation at Senior Management level still remains at 23.2% and not 40%.	EE target setting for Africans at Senior Management level or on any other level is solely the responsibility of the designated employers as per the EEA.
OUTCOME 11: CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD					
STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	4 YEARS PROGRESS TO 31 ST MARCH 2018 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
Advance national priorities through bilateral relations		Eight signed MoUs implemented and five new MoUs signed	See details below		
FIVE-YEAR PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT				DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
Brazil: 2011: No progress made.				Engagements on this bilateral agreement reached the level of Presidential approval, but the process could not be finalised.	The change of administration in Brazil negatively impacted on all its bilateral agreements. The Brazilians have however expressed continued interest in renewing the agreement.
China: 2014: Continuous engagements with China resulted in the sharing of information on social security and work-seeker support. Discussions at Ministerial level agreed on the renewal of the MoU. Technical Experts are discussing the substantive contents				None	
Cuba: 2014: As part of renewal of the MoU, the Minister led a delegation to Cuba and discussions benchmarked on lessons on job creation within the tourism sector with the view for the UIF and CF to establish a Heritage Fund that will promote youth employment in the tourism sector.				None	
Germany: 2009: Information sharing is active in these bilateral engagements. A conference on the digitalisation was convened in 2017 in Cape Town and plans are for sharing information on platform work during 2019				None	
Lesotho: 2013: Having finalised the implementation plan, several activities are undertaken within the ambit of this MoU. These included hosting a delegation on collective bargaining and Dispute resolution mechanism, conducted a joint workshop on the implementation of the MoU in Lesotho and we continuously facilitate queries regarding payments of benefits Lesotho citizens formerly employed in South Africa				None	

OUTCOME 11: CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD

5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
<p>Namibia: 2014: After various follow-ups with Namibia, the implementation plan was finalised in 2018.</p> <p>-Key to the period under review was the agreement to hold a joint seminar on the exchange of experiences on employment creation policies</p>	The seminar was deferred to a later date	Namibia is experiencing economic difficulties. This has led to the cancelation of various planned activities mostly at short notice. The seminar plans have been postponed three times at an advance stage.
<p>Mozambique: 2015 We actively continue to engage the Mozambicans on a number of issues annually. As part of the implementation of the MoU, a joint Imbizo was held for the farming sector. This was to sensitize foreign workers in the farming sector of their employment rights. We further hosted a delegation on Inspection and Enforcement services in the manufacturing sector</p> <p>The Department hosted a delegation from Mozambique on a blitz inspection focused on agriculture</p>	None	
<p>4 NEW MOUs</p> <p>Algeria: 2015: Focus is on the is on technical advice for the refurbishment of the SEEs to accommodate the manufacturing of assistive devices.</p> <p>The two parties agreed to develop the terms of reference for the refurbishment of the SEEs – The Government Technical Advisory Centre developed and presented to the Adjudication Board</p>	None	
<p>Tunisia: New MoU – with focus on social security, Inspection and Enforcement and labour relations – all legal processes finalised</p>	MoU- not signed- Tunisia delayed in submitting the Arabic Version	The MoU will be pursued in the 2019/20 financial year
<p>Zambia: 2016: Hosted a delegation to learn more on the Labour Market Information System with particular emphasis on the Labour Force Survey. Despite the absence of a signed implementation plan which has been delayed by the Zambians, we also hosted a delegation from their Worker's Compensation Fund with the aim to develop partnership towards the "Zero Vision" ideals.</p>	None	
<p>Zimbabwe: 2017: Joint workshop on labour law reform and social dialogue was convened Harare, Zimbabwe</p> <p>The Department hosted a delegation from Zimbabwe with the aim of exchanging experiences on the methods of operation in the field of Occupational Health and Safety</p>	None	

3.3 DEPARTMENT PERFORMANCE ON ENE PERFORMANCE INDICATORS

ENE PERFORMANCE INDICATORS	RELATED PROGRAMME	OUTCOME TO WHICH IT CONTRIBUTES	TARGET	OVERALL ACHIEVEMENTS
1. Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services (IES)	Outcome 4: Decent employment through inclusive growth	218 732	218 919
1. Percentage of reported incidents investigated and / or finalised within prescribed time frames	Inspection and Enforcement Services (IES)		65%	76%
1. Number of work-seekers registered on ESSA per year	Public Employment Services (PES)		650 000	888 553
1. Number of work and learning opportunities registered on ESSA per year	Public Employment Services (PES)		200 000	240 695
1. Work-seekers provided with employment counselling	Public Employment Services (PES)		42 500	49 968
1. Number of registered work and learning opportunities filled by registered work-seekers per year	Public Employment Services (PES)		85 000	142 804
1. Number of pay scales assessed per year to reduce gaps in minimum wage determination	Labour Policy and Industrial Relations (LP&IR)		3	3

3.4 DEPARTMENT PERFORMANCE PER STRATEGIC GOAL

ACTUAL OUTPUT				
STRATEGIC GOALS	PERFORMANCE INDICATORS	ACHIEVED	NOT ACHIEVED	% OVERALL ACHIEVEMENT
Strengthening occupational safety protection	This strategic objective is covered in terms of indicators that are applicable in protecting vulnerable workers			
Promote equity in the labour market	1	1	0	100%
Protecting vulnerable workers	5	4	1	80%
Strengthening multilateral and bilateral relations	1	1	0	100%
Contribute to employment creation	4	4	0	100%
Promoting sound labour relations	3	1	2	33%
Monitoring the impact of legislations	2	2	0	100%
Strengthening the institutional capacity of the Department	4	3	1	75%
TOTAL	20	16	4	80%
OVERALL PERFORMANCE %		80%	20%	

3.5 DEPARTMENT PERFORMANCE PER PROGRAMME

PROGRAMME	PERFORMANCE INDICATORS	ACHIEVED	NOT ACHIEVED	OVERALL ACHIEVEMENT
Administration	4	3	1	75%
Inspections and Enforcement Services	4	4	0	100%
Public Employment Services	4	4	0	100%
Labour Policy and Industrial Relations	8	5	3	63%
TOTAL	20	16	4	80%
OVERALL PERFORMANCE %		80%	20%	

LEGENDS

LEGEND	IMPLICATION
	<p>Achieved: On course – no major action needed</p> <ul style="list-style-type: none"> • 100%+ Complete – Q1 – Q4 • 100%+ Complete – Annual Report
	<p>Not Achieved: The target will not be achieved or was not achieved in the planned timeframes – major remedial action and urgent intervention is required</p> <ul style="list-style-type: none"> • 0% - 99% Complete – Q1 – Q4 • 0% - 99% Complete – Annual Report

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

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

The Programme Administration is made up of the following sub-programmes:

- **Ministry** provides political oversight to ensure that the Department's mandate is achieved.
- **The Office of the Director-General** provides administrative oversight for effective implementation of the Department's mandate and overall accounting oversight.

Programme description: The programme consists of the following sub-programmes:

- **Office of the Chief Operations Officer** manages and directs medium-term strategic planning processes, performance information reporting, monitoring and evaluation of performance against plan and service delivery improvement plan. The COO manages all provincial operations administratively.
- **Corporate Services that includes:**
 - » 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.
 - » 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.

PROGRAMME 1: ADMINISTRATION CONTRIBUTES TO THE FOLLOWING MTSF OUTCOME:

(OUTCOME 12)	AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE
Department's Strategic Goal	8. Strengthen the institutional capacity of the Department (by ensuring that the Department is adequately resourced with infrastructure and human capital necessary for efficient service delivery)

4.1.1 PROGRAMME 1: ADMINISTRATION: PROGRESS ON ANNUAL PERFORMANCE PLAN INDICATORS: 2018/19

PROGRAMME 1: ADMINISTRATION							
STRATEGIC GOAL 10: STRENGTHEN THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (BY ENSURING THAT THE DEPARTMENT IS ADEQUATELY RESOURCED WITH INFRASTRUCTURE AND HUMAN CAPITAL NECESSARY FOR EFFICIENT SERVICE DELIVERY) (OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 1: PROVIDE STRATEGIC MANAGEMENT AND SUPPORT SERVICES TO THE DEPARTMENT							
PROGRAMME PERFORMANCE INDICATOR 1.1: CONTRIBUTION TO BEST GOVERNANCE AND MANAGEMENT PRACTICES WITHIN THE DEPARTMENT							
Not Achieved 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.	Not Achieved 37 % of total Department's M-PAT standards per KPI are at level 3 and 4.	Not Achieved 32% of total Department's M-PAT standards at level 3 and 4 by March 2017 based on the Moderated M-PAT report.	Not Achieved 26% of total Department's M-PAT standards at level 3 and 4 by March 2018 based on the final M-PAT 1.7 report.	45% of total Department's M-PAT standards at level 3 and 4 by 31 March 2019.	Not Achieved 20% of total Department's M-PAT standards at level 3 and 4 based on the final MPAT 1.8 report by DPME Verification Source: M-PAT System and the Department's final M-PAT 1.8 Report from the DPME.	25%	A number of departmental policies need to be updated, and delays in addressing recurring audit /AG findings resulted in level 2 compliance
KEY OUTPUT 2: DEPARTMENTAL INTERVENTIONS AND INITIATIVES COMMUNICATED							
PROGRAMME PERFORMANCE INDICATOR 2.1: EFFECTIVE COMMUNICATION AND MARKETING OF DEPARTMENTAL WORK.							
Achieved Communication strategy and annual action plan were approved 85% implementation of activities in the annual Action Plan.	Not Achieved Communication strategy 2016-21 reviewed with the PCO's and entities. Awaiting approval from EXCO	N/A	Achieved Communication action plan approved by EXCO and 100% implemented as per Integrated Communication Strategy.	<ul style="list-style-type: none"> Communication annual action plan approved. 100% implementation of the activities in the annual action plan. 	Achieved The communication action plan was approved, and All activities mapped in the annual action plan were implemented at 100%. The Integrated Communication Strategy was reviewed with Action Plan for 2019/2020 drafted and signed off by CD: Comms & DDG:CS. Submitted to DG for approval. Verification Source: Reviewed integrated communication strategy (reviewed on the 4th March 2019 with all Entities and Provinces)	None	None

PROGRAMME 1: ADMINISTRATION							
STRATEGIC GOAL 10: STRENGTHEN THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (BY ENSURING THAT THE DEPARTMENT IS ADEQUATELY RESOURCED WITH INFRASTRUCTURE AND HUMAN CAPITAL NECESSARY FOR EFFICIENT SERVICE DELIVERY) (OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTATED PUBLIC SERVICE)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 3: EFFECTIVE FINANCIAL MANAGEMENT AND GOVERNANCE							
PROGRAMME PERFORMANCE INDICATOR 3.1: NUMBER OF ANNUAL FINANCIAL STATEMENTS (AFS) AND INTERIM FINANCIAL STATEMENTS (IFS) COMPILED PER YEAR THAT COMPLY WITH GUIDELINES ISSUED BY THE NATIONAL TREASURY.							
Achieved 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.	Achieved 2014/15 Annual Financial Statements were 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.	Achieved The published annual report and the IFS' provided to the Auditor-General and National Treasury.	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter.	1 AFS by 31 May, and 3 IFS 30 days after each quarter.	Achieved Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter. Verification Source: The acknowledgement of receipt letter as by National Treasury and the Auditor-General.	None	None
KEY OUTPUT 4: EFFECTIVE SUPPLY CHAIN MANAGEMENT							
PROGRAMME PERFORMANCE INDICATOR 4.1 CASES OF IRREGULAR, FRUITLESS AND WASTEFUL AND/OR UNAUTHORISED EXPENDITURE, DETECTED PER FINANCIAL YEAR, REPORTED TO THE ACCOUNTING OFFICER							
Not Achieved An increase of 17% in irregular expenditure was realized 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.	Achieved 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 & wasteful expenditure were detected and reported for the 2015/16.	Achieved Irregular expenditure – R257 657.79 detected and reported. Fruitless and Wasteful expenditure – R129 091.84 detected and reported. Unauthorised expenditure – None detected and reported.	Achieved Irregular expenditure – A total of fourteen (14) cases amounting to R1 236 548.09 were detected and reported. Fruitless and Wasteful expenditure – A total of ninety-eight (98) cases amounting to R4 024 383.02 were detected and reported Unauthorised expenditure –None detected and reported.	All cases detected	Achieved Irregular expenditure – A total of twenty-six (26) cases amounting to R3 446 415.51 were detected and reported. Fruitless and Wasteful expenditure – A total of three hundred and ninety-nine (399) amounting to R4 450 475.23 were detected and reported. Unauthorised expenditure – None detected and reported. Verification Source: Irregular, unauthorized and the fruitless and wasteful expenditure registers.	None	None

4.1.2 ADMINISTRATION STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	STRATEGY TO OVERCOME UNDER-PERFORMANCE	DATE OF IMPLEMENTATION AND IMPLEMENTER
KEY OUTPUT 1: PROVIDE STRATEGIC MANAGEMENT AND SUPPORT SERVICES TO THE DEPARTMENT							
PROGRAMME PERFORMANCE INDICATOR 1.1: PERCENTAGE OF TOTAL DEPARTMENT'S M-PAT STANDARDS AT LEVEL 3 AND 4 BY MARCH OF EACH YEAR.							
			<p>Not Achieved</p> <p>26% of total Department's M-PAT standards at level 3 and 4 by March 2018 based on the final M-PAT 1.7 report.</p>	<p>45% of total Department's M-PAT standards at level 3 and 4 based on the final moderated MPAT report</p>	<p>Not Achieved</p> <p>20% of total Department's M-PAT standards at level 3 and 4 based on the final MPAT 1.8 report by DPME</p> <p>Not Achieved 20% of total Department's M-PAT standards at level 3 and 4 based on the final MPAT 1.8 report by DPME</p>	<p>Whilst M-PAT is no longer driven by the DPME from 2019/20, it is a governance tool for best management practice. The Department will strive to implement all M-PAT recommendations for the four Key Performance Areas in order to improve governance and performance.</p>	<p>2019/20 Financial Year</p>

4.1.3 CHANGES TO PLANNED TARGETS

None, MPAT was phased out by DPME and it no longer forms part of the 2019/20 Annual Performance Plan.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.2 PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES (IES)

Purpose: Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.

Description: 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** registers 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 Services** 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 Services** gives effect to the legislative enforcement requirement and educate stakeholders on labour legislation.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES CONTRIBUTE TO THE FOLLOWING MTSF OUTCOMES:

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE GROWTH
Department's strategic goal	1. Promote occupational health services 9. Development of the occupational health and safety policies 3. Protect vulnerable workers 5. Strengthen occupational safety protection
(OUTCOME 14)	TRANSFORMING SOCIETY AND UNITING THE NATION
Department's strategic goal	10. Promote equity in the labour market

4.2.1 PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICES: PROGRESS ON ANNUAL PERFORMANCE PLAN INDICATORS: 2018/19

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES																																																																	
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14: TRANSFORMING SOCIETY AND UNITING THE COUNTRY)																																																																	
STRATEGIC GOAL 3: PROTECT VULNERABLE WORKERS (OUTCOME 4 : DECENT EMPLOYMENT THROUGH INCLUSIVE GROWTH)																																																																	
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KEY OUTPUT 1: WORKERS PROTECTED THROUGH INSPECTION AND ENFORCEMENT OF EMPLOYMENT LAW																																																																	
PROGRAMME PERFORMANCE INDICATOR 1.1: NUMBER OF EMPLOYERS INSPECTED PER YEAR TO DETERMINE COMPLIANCE WITH EMPLOYMENT LAW																																																																	
Not Achieved A total of 180 818 workplaces were inspected.	Achieved A total of 186 871 workplaces were inspected.	Achieved A total of 185 958 workplaces were inspected.	Not Achieved 214 946 Employers were inspected to determine compliance with employment law against a target of 217 008. The variance is -2 062. The total number of compliant employers was 175 239.	218 732	187																																																												
<p>Achieved</p> <p>218 919 Employers were inspected to determine compliance with employment law against a target of 218 732. The variance is 187. The total number of compliant employers was 177 209.</p> <table border="1"> <thead> <tr> <th>PROVINCE</th> <th>TARGET TO BE INSPECTED</th> <th>ACTUAL INSPECTED</th> <th>NUMBER COMPLIANT</th> <th>VARIANCE</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>21 654</td> <td>23 776</td> <td>20 113</td> <td>2 122</td> </tr> <tr> <td>FS</td> <td>18 592</td> <td>19 364</td> <td>16 952</td> <td>772</td> </tr> <tr> <td>GP</td> <td>52 276</td> <td>46 235</td> <td>39 420</td> <td>-6 041</td> </tr> <tr> <td>KZN</td> <td>44 840</td> <td>45 563</td> <td>35 730</td> <td>723</td> </tr> <tr> <td>LP</td> <td>19 686</td> <td>20 597</td> <td>16 192</td> <td>911</td> </tr> <tr> <td>MP</td> <td>15 966</td> <td>16 264</td> <td>12 542</td> <td>298</td> </tr> <tr> <td>NC</td> <td>8 968</td> <td>8 254</td> <td>6 213</td> <td>-714</td> </tr> <tr> <td>NW</td> <td>14 656</td> <td>15 117</td> <td>12 289</td> <td>461</td> </tr> <tr> <td>WC</td> <td>21 874</td> <td>23 413</td> <td>17 484</td> <td>1 539</td> </tr> <tr> <td>HO</td> <td>220</td> <td>336</td> <td>274</td> <td>116</td> </tr> <tr> <td>TOTAL</td> <td>218 732</td> <td>218 919</td> <td>177 209</td> <td>187</td> </tr> </tbody> </table> <p>Overachievement due to the extra effort of certain provinces.</p>						PROVINCE	TARGET TO BE INSPECTED	ACTUAL INSPECTED	NUMBER COMPLIANT	VARIANCE	EC	21 654	23 776	20 113	2 122	FS	18 592	19 364	16 952	772	GP	52 276	46 235	39 420	-6 041	KZN	44 840	45 563	35 730	723	LP	19 686	20 597	16 192	911	MP	15 966	16 264	12 542	298	NC	8 968	8 254	6 213	-714	NW	14 656	15 117	12 289	461	WC	21 874	23 413	17 484	1 539	HO	220	336	274	116	TOTAL	218 732	218 919	177 209	187
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PROGRAMME PERFORMANCE INDICATOR 1.2 PERCENTAGE OF NON-COMPLIANT EMPLOYERS OF THOSE INSPECTED SERVED WITH A NOTICE IN TERMS OF RELEVANT EMPLOYMENT LAW WITHIN 14 CALENDAR DAYS OF THE INSPECTION.																																																																	
Not Achieved 98% of non-complying workplaces were dealt with.	Not Achieved 96% of non-complying workplaces were dealt with.	Achieved 100% of the non-compliant workplaces were dealt with.	Achieved 100% of the non-compliant workplaces were dealt with.	80%	20%																																																												
<p>Achieved</p> <p>Of the 218 919 employers inspected 41 710 were non-compliant. 100% (41 569 of the 41 710 non-compliant employers) were served with notices within 14 calendar days of the Inspection.</p> <table border="1"> <thead> <tr> <th>PROVINCE</th> <th>NUMBER OF EMPLOYERS NOT COMPLYING</th> <th>NO. SERVED WITH A NOTICE</th> <th>% SERVED WITH A NOTICE</th> <th>VARIANCE</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>3 663</td> <td>3 663</td> <td>100</td> <td>20</td> </tr> <tr> <td>FS</td> <td>2 412</td> <td>2 410</td> <td>100</td> <td>20</td> </tr> <tr> <td>GP</td> <td>6 815</td> <td>6 790</td> <td>100</td> <td>19</td> </tr> <tr> <td>KZN</td> <td>9 833</td> <td>9 786</td> <td>100</td> <td>20</td> </tr> <tr> <td>LP</td> <td>4 405</td> <td>4 383</td> <td>100</td> <td>20</td> </tr> <tr> <td>MP</td> <td>3 722</td> <td>3 719</td> <td>100</td> <td>20</td> </tr> <tr> <td>NC</td> <td>2 041</td> <td>2 027</td> <td>99</td> <td>19</td> </tr> <tr> <td>NW</td> <td>2 828</td> <td>2 813</td> <td>99</td> <td>19</td> </tr> <tr> <td>WC</td> <td>5 929</td> <td>5 929</td> <td>100</td> <td>20</td> </tr> <tr> <td>HO</td> <td>62</td> <td>49</td> <td>79</td> <td>-1</td> </tr> <tr> <td>TOTAL</td> <td>41 710</td> <td>41 569</td> <td>100</td> <td>20</td> </tr> </tbody> </table> <p>Verification Source: QPR, Registers, Signed DG recommendations, notices for non-compliance</p>						PROVINCE	NUMBER OF EMPLOYERS NOT COMPLYING	NO. SERVED WITH A NOTICE	% SERVED WITH A NOTICE	VARIANCE	EC	3 663	3 663	100	20	FS	2 412	2 410	100	20	GP	6 815	6 790	100	19	KZN	9 833	9 786	100	20	LP	4 405	4 383	100	20	MP	3 722	3 719	100	20	NC	2 041	2 027	99	19	NW	2 828	2 813	99	19	WC	5 929	5 929	100	20	HO	62	49	79	-1	TOTAL	41 710	41 569	100	20
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PROGRAMME PERFORMANCE INDICATOR 1.3 PERCENTAGE OF NON-COMPLIANT EMPLOYERS WHO FAILED TO COMPLY WITH THE SERVED NOTICE REFERRED FOR PROSECUTION WITHIN 30 CALENDAR DAYS.																																																																														
Not Achieved 394 cases were referred to court.	Not Achieved 217 cases were referred to court.	Achieved 100% of the non-compliant workplaces were dealt with. *The Annual report and quarterly reports for 2016/17 do not reflect the actual number of employers referred for prosecution No target for court referrals	Not Achieved Of the 39 628 employers served with notices 7 617 failed to comply with served notice and 35% (2 667) were referred for prosecution.	60%	Achieved Of the 41 593 employers served with notices, 13 163 failed to comply with served notice and 60% (2 779 of 4 619) were referred for prosecution.	None																																																																								
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PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES																																																																		
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PROGRAMME PERFORMANCE INDICATOR 1.4 PERCENTAGE OF REPORTED INCIDENTS FINALISED WITHIN PRESCRIBED TIME FRAMES.																																																																		
Not Achieved 45% (of the 1 305 reported) 589 incidents were investigated within 90 days	Achieved 82% (of the 1 309 reported) 1 080 incidents were investigated within 90 days	Achieved 80% (703 of 878 reported incidents were investigated within 90 days)	Achieved 75% (918 incidents were reported and 690 were investigated and / or finalised)	65%	Achieved 76% (986 incidents were reported and 747 were finalised).	11%																																																												
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4.2.2 INSPECTION AND ENFORCEMENT SERVICES STRATEGY TO OVERCOME AREAS OF UNDER/OVER PERFORMANCE

KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	STRATEGY TO OVERCOME UNDER/OVER-PERFORMANCE	DATE OF IMPLEMENTATION AND IMPLEMENTER
1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers inspected per year to determine compliance with employment law.	218 732	218 919	Provinces to be encouraged to revert to their provincial inspection plans in order to meet the target.	1 April 2019
	1.2 Percentage of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection.	80%	100%	A concerted effort was made to achieve the target and the overachievement is encouraged by the Branch as it benefits the vulnerable workers and improves enforcement. The branch will continue to monitor performance.	1 April 2019
	1.3 Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days.	60%	60%	NA	NA
	1.4 Percentage of reported incidents investigated and / or finalised within prescribed time frames.	65%	76%	The Branch encourages provinces to investigate incidents in order to ensure that social justice is achieved for the vulnerable workers whenever it is within their capability to do so. The branch will continue to monitor performance.	1 April 2019

4.2.3 CHANGES TO PLANNED TARGETS

None.

4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES (PES)

Programme purpose: Provide assistance to companies and workers to adjust to changing labour market conditions and to regulate private employment agencies.

Programme description: The programme consists of the following sub-programmes:

Management and Support Services: Public Employment 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, with the following functions:

- Register job vacancies and other work opportunities
- Facilitate placing of work-seekers with employers or in other work opportunities
- Facilitate exchange of information among labour market participants, including employers, workers and work-seekers, private employment agencies, sector education and training authorities and training providers
- Facilitating the employment of foreign nationals in a manner that is consistent with the object of this Act and the Immigration Act.
- Assists companies in distress, provides a social plan and regulates private employment agencies and Temporary Employment Services.

Work-Seeker Services:

- Match work-seekers with available work opportunities
- Register work-seekers, and retrenched workers, on the employment services system
- Advise work-seekers on access to education and training
- Advise workers on access to social security benefits
- Provide specialised services to assist vulnerable work-seekers; facilitates the provision of employability enhancement programmes.

Designated Groups Special Services facilitates the transfer of subsidies to designated organisations to promote the employment of people with disabilities, youth, and women, in collaboration with relevant bodies.

THE PROGRAMME HAS OVERSIGHT OVER THE FOLLOWING ENTITIES:

Supported Employment Enterprises:

- Facilitates supported employment
- Provides work opportunities for people with disabilities
- Develops and implement programmes that promote the employability of people with disabilities, including people with permanent disablement as defined in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), in the light of their evolving needs in a changing economy
- Performs any other function as may be prescribed by the Minister.

Productivity South Africa:

- Promotes a culture of productivity in the workplace
- Develops relevant productivity competencies
- Facilitates and evaluate productivity improvement and competitiveness in workplaces
- Measures and evaluates productivity in the workplace
- Maintains a data-base of productivity and competitiveness systems and to publicise these systems
- Undertakes productivity-related research
- Supports initiatives aimed at preventing job losses; and performs any other prescribed function.

Unemployment Insurance Fund:

- Provides income support to unemployed contributors whilst awaiting integration back 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
- Branch PES facilitates the conclusion of the Memorandum of Agreement, transfer of funding and monitoring of the entity's performance against its Strategic Plan.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES CONTRIBUTE TO THE FOLLOWING MTSF OUTCOMES:

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH
Department's Strategic Goal	2. Contribute to decent employment creation
(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				
STRATEGIC GOAL 1: CONTRIBUTE TO DECENT EMPLOYMENT CREATION (OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH)				
STRATEGIC GOAL 2: CONTRIBUTE TO SKILLS DEVELOPMENT (OUTCOME 5: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH)				
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019
KEY OUTPUT 2. WORK AND LEARNING OPPORTUNITIES REGISTERED				
PROGRAMME PERFORMANCE INDICATOR 2.1: NUMBER OF WORK AND LEARNING OPPORTUNITIES REGISTERED ON ESSA PER YEAR				

<p>Achieved</p> <p>A total of 74 056 employment opportunities were registered.</p>	<p>Achieved</p> <p>102 631 employment opportunities were registered.</p>	<p>Achieved</p> <p>74 510 Employment opportunities registered.</p>	<p>Achieved</p> <p>109 917 work and learning opportunities were registered.</p>	<p>85 000</p>	<p>57 804</p>	<p>1. Advocacy campaigns 2. More employers gradually becoming aware of ESSA recruitment</p>																																														
<p>Achieved</p> <p>142 804 work and learning opportunities were registered on ESSA system, with a variance of 57 804.</p> <table border="1"> <thead> <tr> <th>PROVINCE</th> <th>TARGET TO BE REGISTERED</th> <th>ACTUAL REGISTERED</th> <th>VARIANCES</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>11 900</td> <td>22 611</td> <td>10 711</td> </tr> <tr> <td>FS</td> <td>6 800</td> <td>11 716</td> <td>4 916</td> </tr> <tr> <td>GP</td> <td>16 150</td> <td>29 825</td> <td>13 675</td> </tr> <tr> <td>KZN</td> <td>14 450</td> <td>19 905</td> <td>5 455</td> </tr> <tr> <td>LP</td> <td>7 650</td> <td>10 860</td> <td>3 210</td> </tr> <tr> <td>MP</td> <td>6 800</td> <td>12 272</td> <td>5 472</td> </tr> <tr> <td>NC</td> <td>4 250</td> <td>9 382</td> <td>5 132</td> </tr> <tr> <td>NW</td> <td>5 100</td> <td>6 192</td> <td>1 092</td> </tr> <tr> <td>WC</td> <td>11 900</td> <td>15 684</td> <td>3 784</td> </tr> <tr> <td>ONLINE</td> <td>0</td> <td>4357</td> <td>4 357</td> </tr> <tr> <td>TOTAL</td> <td>85 000</td> <td>142 804</td> <td>57 804</td> </tr> </tbody> </table>							PROVINCE	TARGET TO BE REGISTERED	ACTUAL REGISTERED	VARIANCES	EC	11 900	22 611	10 711	FS	6 800	11 716	4 916	GP	16 150	29 825	13 675	KZN	14 450	19 905	5 455	LP	7 650	10 860	3 210	MP	6 800	12 272	5 472	NC	4 250	9 382	5 132	NW	5 100	6 192	1 092	WC	11 900	15 684	3 784	ONLINE	0	4357	4 357	TOTAL	85 000
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PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES																																																					
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PROGRAMME PERFORMANCE INDICATOR 3.1 NUMBER OF REGISTERED WORK-SEEKERS PROVIDED WITH EMPLOYMENT COUNSELLING PER YEAR.					DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019																																																
Achieved A total of 246 744 work-seekers were provided with employment counselling.	Not Achieved 208 861 Work-seekers were provided with employment counselling.	Achieved 197 247 work-seekers provided with employment counselling.	Achieved 193 573 registered work-seekers were provided with employment counselling.	200 000	40 675																																																
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TOTAL	200 000	240 675	40 675																																																		
<p>1. Advocacy campaigns and career exhibition led to increased demand for the service.</p> <p>2. Involvement and support of Principal Psychologists to career counsellors resulted in higher performance.</p>																																																					
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PROGRAMME PERFORMANCE INDICATOR 4.1: NUMBER OF REGISTERED EMPLOYMENT OPPORTUNITIES FILLED BY REGISTERED WORK-SEEKERS PER YEAR.																																																					
Not Achieved A total of 14 634 (73%) work-seekers were placed against a target of 20 000.	Not Achieved 10 927 work-seekers were placed.	Achieved 12 517 work-seekers were placed.	Achieved 21 076 of registered work and learning opportunities filled by registered work-seekers.	42 500	Achieved 49 968 of registered work and learning opportunities filled by registered work-seekers; with a variance of 7 468.																																																
			<table border="1"> <thead> <tr> <th>PROVINCE</th> <th>TARGET TO BE REGISTERED</th> <th>ACTUAL REGISTERED</th> <th>VARIANCES</th> </tr> </thead> <tbody> <tr> <td>EC</td> <td>5 950</td> <td>7 303</td> <td>1 353</td> </tr> <tr> <td>FS</td> <td>3 400</td> <td>5 434</td> <td>2 034</td> </tr> <tr> <td>Gp</td> <td>8 075</td> <td>9 473</td> <td>1 398</td> </tr> <tr> <td>KZN</td> <td>7 225</td> <td>8 593</td> <td>1 368</td> </tr> <tr> <td>LP</td> <td>3 825</td> <td>5 036</td> <td>1 211</td> </tr> <tr> <td>MP</td> <td>3 400</td> <td>3 157</td> <td>-243</td> </tr> <tr> <td>NC</td> <td>2 125</td> <td>2 959</td> <td>834</td> </tr> <tr> <td>NW</td> <td>2 550</td> <td>2 293</td> <td>-257</td> </tr> <tr> <td>WC</td> <td>5 950</td> <td>5 719</td> <td>-231</td> </tr> <tr> <td>ONLINE</td> <td></td> <td>1</td> <td>1</td> </tr> <tr> <td>TOTAL</td> <td>42 500</td> <td>49 968</td> <td>7 468</td> </tr> </tbody> </table>	PROVINCE	TARGET TO BE REGISTERED	ACTUAL REGISTERED	VARIANCES	EC	5 950	7 303	1 353	FS	3 400	5 434	2 034	Gp	8 075	9 473	1 398	KZN	7 225	8 593	1 368	LP	3 825	5 036	1 211	MP	3 400	3 157	-243	NC	2 125	2 959	834	NW	2 550	2 293	-257	WC	5 950	5 719	-231	ONLINE		1	1	TOTAL	42 500	49 968	7 468	7 468	1. Advocacy sessions conducted by the branch. 2. Employers are utilising PES services
PROVINCE	TARGET TO BE REGISTERED	ACTUAL REGISTERED	VARIANCES																																																		
EC	5 950	7 303	1 353																																																		
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ONLINE		1	1																																																		
TOTAL	42 500	49 968	7 468																																																		
<p>Online refers to the number of registered work and learning opportunities through Kiosks and Internet, filled by registered work-seekers.</p> <p>Verification Source: Opportunity and placement report from ESSA requested from April 2018 up to each end of the quarterly period</p>																																																					

4.3.2 PUBLIC EMPLOYMENT SERVICES STRATEGY TO OVERCOME AREAS OF OVER-PERFORMANCE

KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	STRATEGY TO OVERCOME OVER-PERFORMANCE	DATE OF IMPLEMENTATION AND IMPLEMENTER
1. Work-seekers registered.	1.1 Number of work-seekers registered on ESSA per year.	650 000	888 553	Target revised	Effected in the new APP 2019-20
2. Work and learning opportunities registered.	2.1 Number of work and learning opportunities registered on ESSA per year.	85 000	142 804	Target revised	Effected in the new APP 2019-20
3. Employment counselling provided.	3.1 Number of registered work-seekers provided with employment counselling per year.	200 000	240 675	Target revised	Effected in the new APP 2019-20
4. Work-seekers placed in work and learning opportunities.	4.1 Number of registered work and learning opportunities filled by registered work-seekers per year.	42 500	49 968	Target revised	Effected in the new APP 2019-20

4.3.3 CHANGES TO PLANNED TARGETS

None.

4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS (LP AND IR)

Programme purpose: Facilitate the establishment of an equitable and sound labour relations environment and the promotion of South Africa's interests 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

Programme description: The programme consists of the following sub-programmes and entities:

- **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.
- **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 elimination of unfair discrimination and promotion of equitable representation in the workplace.
- **Employment Standards** protects vulnerable workers in the labour market by establishing basic standards and minimum wages.
- **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** Monitors and evaluates the impact of labour legislation and policies affecting the South African Labour Market.
- **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** Contribute to Global policy formulation and facilitate compliance with international obligations through multi and bi-lateral 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.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS CONTRIBUTE TO THE FOLLOWING MTSF OUTCOMES:

(OUTCOME 4)	DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH
Department's strategic goal	2. Contribute to decent employment creation 3. Protect vulnerable workers 6. Promote sound labour relations 7. Monitor the impact of legislation
(OUTCOME 11)	CREATE A BETTER SOUTH AFRICA, A BETTER AFRICA AND A BETTER WORLD
Department's strategic goal	4. Strengthen multilateral and bilateral relations
(OUTCOME 14)	TRANSFORMING SOCIETY AND UNITING THE NATION
Department's strategic goal	10. Promote equity in the labour market

4.4.1 PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS: PROGRESS ON ANNUAL PERFORMANCE PLAN INDICATORS: 2017/18

PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS							
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14 TRANSFORMING SOCIETY AND UNITING THE COUNTRY)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 1: ENSURE THAT THE POLICY ENVIRONMENT SUPPORTS EMPLOYMENT EQUITY AND COMPLIANCE BY 31 MARCH 2019							
PROGRAMME PERFORMANCE INDICATOR 1.1 NUMBER OF POLICY INSTRUMENTS DEVELOPED AND PROMOTED TO ENHANCE THE IMPLEMENTATION OF EEA BY 31 MARCH 2019.							
Achieved 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. Achieved The 2014 to 2015 Annual Employment Equity Report and Public Register were finalised by 31 March 2015.	Achieved 2015-2016 Annual Employment Equity Report and Public Register developed by 31 March 2016.	Achieved 2016-2017 Annual Employment Equity Report and Public Register developed by 31 March 2017.	Not Achieved Only the 2016-2017 Annual Employment Equity Report was published in May 2017. Achieved 2017-2018 Annual Employment Equity Report and Public Register developed.	2017-2018 Annual Employment Equity Report and Public Register published by 30 June 2018 2018-2019 Annual Employment Equity Report and Public Register developed by 13 March 2019	Achieved Verification Source: Copies of the 2017-2018 Annual Employment Equity Report (18th CEE Annual Report) and the Public Register (Government Gazette No.41534) Achieved Verification Source: Copies of the Commission for Employment Equity (CEE) Advisory letter to the Minister; 2018-2019 Employment Equity Annual Report (19th CEE Annual Report) and Public Register	None	None

PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS							
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14 TRANSFORMING SOCIETY AND UNITING THE COUNTRY)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 2. ESTABLISH BASIC STANDARDS AND MINIMUM WAGES							
PROGRAMME PERFORMANCE INDICATOR 2.1 ESTABLISH INSTITUTION OF THE NATIONAL MINIMUM WAGE (NMW) BY MARCH 2019.							
Achieved 2 New sectors investigated for possible setting of minimum wages and conditions of employment. Two new sectors were investigated: Garden Service Building Construction Sector.	Achieved 1 new sector the Abattoir sector was investigated for possible setting of minimum wages and conditions of employment. Report was submitted to the ECC.	Achieved Hospitality and Taxi Sectoral determinations reviewed.	Not Achieved NMW Bill is still before Parliament for consideration.	Implementation of the National Minimum Wage by 1 May 2018	Not Achieved Verification Source: Government gazette No. 42060 dated 27 November 2018 Government Gazette No. 42104 dated 14 December 2018	National Minimum Wage Act date of implementation delayed by the office of the President of South Africa	Due to delays in the parliamentary processes, the National Minimum Wage Act was only assented to by the President on 27 November 2018, Government gazette No. 42060
KEY OUTPUT 3. ADVANCE NATIONAL PRIORITIES THROUGH BILATERAL COOPERATION AND MULTILATERAL RELATIONS							
PROGRAMME PERFORMANCE INDICATOR 3.1 PROGRESS REPORTS ON BILATERAL COOPERATION AND MULTILATERAL OBLIGATIONS SIGNED OFF BY THE MINISTER ANNUALLY							
Achieved 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.	Achieved Finalised 1 Article 19 report. Finalised 6 Article 22 reports.	Achieved 1 mid-term and 1 annual implementation reports submitted in September and March respectively.	Achieved Mid-term implementation report by 30 September 2017 1 Annual implementation report by 31 March 2018	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2019: 1 Mid-term implementation report signed off by the Minister by 31 October 2018 2017/18 1 Annual implementation report signed off by the Minister 30 April 2018	Achieved 2017/18 1 Annual implementation report signed off by the Minister 30 April 2018. 1 Mid-term implementation report signed off by the Minister by 31 October 2018. Verification Source: Signed copy of the Mid-term Report: 31 October 2018 Verification Source: Signed copy of the 2017/2018 Annual Report	None	None

PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS							
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14 TRANSFORMING SOCIETY AND UNITING THE COUNTRY)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
PROMOTE SOUND LABOUR RELATIONS (OUTCOME 4: DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH)							
KEY OUTPUT 4. PROMOTING SOUND LABOUR RELATIONS							
PROGRAMME PERFORMANCE INDICATOR 4.1 PERCENTAGE OF COLLECTIVE AGREEMENTS EXTENDED WITHIN 90 CALENDAR DAYS OF RECEIPT BY END OF MARCH EACH YEAR.							
<p>Not Achieved</p> <p>20 collective agreements extended within 60 days of receipt.</p>	<p>Not Achieved</p> <p>32 collective agreements extended to non-parties for reporting period:</p> <p>1 collective agreement extended to non-parties within 60 days</p> <p>31 collective agreements in longer than 60 days of receipt.</p>	<p>Not Achieved</p> <p>62% of collective agreements extended with 90 calendar days of receipt.</p> <p>26 collective agreements received in 2016/2017:</p> <p>16 extended within 90 days;</p> <p>10 extended in longer than 90 days.</p>	<p>Not Achieved</p> <p>50% of collective agreements extended within 90 calendar days of receipt by end of March 2018.</p>	<p>100% of collective agreements extended within 90 calendar days of receipt by end of March 2019</p>	<p>Not Achieved</p> <p>20 (Twenty) collective agreements were received</p> <ul style="list-style-type: none"> • 16 (Sixteen) Extended within 90 calendar days of receipt = 80% • 4 (four) extended in longer than 90 calendar days of receipt = 20% <p>Verification source: Copy of LRA 3.5/3.6, Copy of signed submission and Copy of Full schedule published in Government notice.</p>	<p>20% = not achieved</p>	<p>The current law (In the period that the work was to be conducted) is crafted such that the set target could not be achieved. For Bargaining councils that are not representative, the law requires that their agreements first be published for comments. This requirement was not taken into consideration when determining the timeframe during which such agreements are extended to non-parties.</p>

PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS							
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14 TRANSFORMING SOCIETY AND UNITING THE COUNTRY)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 4. PROMOTING SOUND LABOUR RELATIONS							
PROGRAMME PERFORMANCE INDICATOR 4.2 PERCENTAGE OF LABOUR ORGANISATION COMPETENT APPLICATIONS FOR REGISTRATION APPROVED OR REFUSED WITHIN 90 CALENDAR DAYS OF RECEIPT BY END OF MARCH EACH YEAR.							
Not Achieved 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.	Not Achieved 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.	Not Achieved 96% (118) applications were received. 11 applications for registration approved within 90 calendar days 102 applications for registration refused within 90 calendar days.	Not Achieved 98% of labour organization applications approved or refused within 90 days of receipt by end of March 2018.	100% of labour organisation competent applications for registration approved or refused within 90 calendar days of receipt by end of March 2019	Achieved 133 (One hundred and thirty-three) application received • 114 (One hundred and fourteen) refused within 90 calendar days of receipt • 19 (Nineteen) approved within 90 calendar days of receipt Verification Source: Copy of LRA Form 6.1/6.2. Copy of approval/ refusal letter and printout from Labour Organisation System.	None	None
KEY OUTPUT 4. PROMOTING SOUND LABOUR RELATIONS							
PROGRAMME PERFORMANCE INDICATOR 4.3 MODERATING WORKPLACE CONFLICT BY AMENDING LABOUR RELATION ACT AND MEASURING THE IMPACT THEREOF.							
-	-	New Indicator	Not Achieved Amendments to LRA discussed at NEDLAC and draft amending bill finalised.	Report on impact of amendments on workplace conflict by 31 March 2019	Not Achieved LRA Amendments promulgated 1 January 2019. Verification Source: GG No: 42061 – Act 8 of 2018	The delay in promulgating the amendments to the LRA impacted on the issuing of the report on the impact of the amendments.	The impact of the amendments on workplace conflict can only be assessed during the 2020/21. season of industrial action.

PROGRAMME 4: LABOUR RELATIONS AND INDUSTRIAL RELATIONS							
STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14 TRANSFORMING SOCIETY AND UNITING THE COUNTRY)							
ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
KEY OUTPUT 5. MONITOR AND EVALUATE THE TRENDS AND IMPACT OF LEGISLATION IN THE LABOUR MARKET							
PROGRAMME PERFORMANCE INDICATOR 5.1 NUMBER OF LABOUR MARKET TRENDS REPORTS PRODUCED ANNUALLY.							
Achieved By 4 September 2014, four annual labour market reports were published. By March 2015, two annual reports were finalised and submitted to the Minister for approval.	Not Achieved By March 2016, two annual labour market reports were produced. By June 2015, two annual labour market reports were produced. September 2015. By September 2015, four reports were published.	Achieved By 30 June 2016, two annual labour market trend reports were produced. By 31 March 2017, two annual labour market trend reports were produced.	Achieved 2 Annual Labour market trend reports produced by 30 March 2018. These include: Annual Industrial Action report and Annual Administrative Statistics Reports 2017. 2 Annual Labour market trend reports produced by 30 June 2017. These include: Job Opportunity and Unemployment in the South African labour market and Annual Labour Market Bulletin 2016/17.	4 Annual labour market trend reports produced by March 2019	Achieved 4 Annual labour market trend reports produced by 31st March 2019. These reports include: Industrial Action report 2018; Annual Administrative Statistics for 2018; Job Opportunity and Unemployment in the SA Labour market 2017/18 and Annual Labour Market Bulletin 2017/18. Verification Source: Ministerial submission for the 4 annual reports.	None	None
KEY OUTPUT 5. MONITOR AND EVALUATE THE TRENDS AND IMPACT OF LEGISLATION IN THE LABOUR MARKET							
PROGRAMME PERFORMANCE INDICATOR 5.2 NUMBER RESEARCH REPORTS ON LABOUR MARKET RESEARCH PRODUCED AND SUBMITTED TO THE DEPUTY DIRECTOR-GENERAL: LP&IR BY 31 MARCH 2019							
Achieved Four final research reports were developed and submitted to the DDG for sign-off.	Achieved The following research instruments were developed towards the following research reports: National Minimum Wage: Analysis of bursary recipient's performance: Active Labour Market Policy: Resource Adequacy:	Not Achieved 2 Research reports produced and submitted by 31 March 2017. Investigating resource adequacy for effective inspections to be conducted within the South African Labour Market (Resource Adequacy). Research on The impact and effectiveness of the BCEA Threshold.	Achieved 4 final literature review reports approved by the Deputy Director-General: LP&IR by 30 March 2018.	4 Research reports in line with RME Agenda produced and submitted to the Deputy Director-General: LP&IR by 31 March 2019	Achieved 4 Research Reports produced Verification Source: Research reports and Ministerial Submissions	None	None

LABOUR POLICY AND INDUSTRIAL RELATIONS STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

STRATEGIC OBJECTIVE	2014 LEVEL BASELINE	5 YEAR MTSF TARGET	5 YEARS PROGRESS TO 31 ST MARCH 2019 LATEST AVAILABLE MEASUREMENT	DEVIATION FROM PLANNED TARGET	COMMENT ON DEVIATIONS
Promoting sound Labour Relations	Percentage of Collective agreements extended within 90 calendar days of receipt by end of March each year	100% of collective agreements extended within 90 calendar days of receipt by end of March 2019	20 collective agreements were received <ul style="list-style-type: none"> 16 Extended within 90 calendar days of receipt = 80% 4 extended in longer than 90 calendar days of receipt = 20% Verification source: Copy of LRA 3.5/3.6, Copy of signed submission and Copies of Full schedule published and Government notices.	The current law (In the period that the work was to be conducted) is crafted such that the set target could not be achieved. For Bargaining councils that are not representative, the law requires that their agreements first be published for comments. This requirement was not taken into consideration when determining the timeframe during which such agreements are extended to non-parties.	There is a need to amend the law.
	Moderating workplace conflict by amending Labour Relations Act and measuring the impact thereof	Report on impact of amendments on workplace conflict by 31 March 2019	LRA Amendments promulgated 1 January 2019. VS GG No: 42061 – Act 8 of 2018	Delays in Parliamentary processes and in the Presidency promulgating the amendments impacted on the issuing of the report on the impact of the amendments. The LRA amendments were only promulgated by 1 January 2019.	The target can only be achieved in the coming financial year.
2. Establish basic standards and minimum wages	2.1 Establish institution of the National minimum wage (NMW) by March 2019.	Implementation of the National Minimum Wage by 1 May 2018.	Not Achieved Verification Source: <ul style="list-style-type: none"> Government gazette No. 42060 dated 27 November 2018 Government Gazette No. 42104 dated 14 December 2018 	Whilst the necessary work by the department was completed in time to meet the target, the promulgation of the Minimum Wage Act was only assented to by the President on 27 November 2018 in Government gazette No. 42060 and promulgated on 1 January 2019.	The delay in the promulgation of the NMW by the President resulted in the Branch not achieving the set target.

4.4.2 CHANGES TO PLANNED TARGETS (IF ANY)

None.

4.5 LINKING PERFORMANCE TO BUDGET

DEPARTMENT OF LABOUR		2018/19			2017/18		
		FINAL APPROPRIATION	ACTUAL EXPENDITURE	OVER/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	OVER/UNDER EXPENDITURE
VOTED FUNDS AND DIRECT CHARGES		R'000	R'000	R'000	R'000	R'000	R'000
Programme							
1.	Administration	881 531	804 917	76 614	860 734	677	92 057
2.	Inspection and Enforcement Services	592 223	549 211	43 012	545 115	520 165	24 950
3.	Public Employment Services	605 674	542 817	62 857	562 574	485 543	77 031
4.	Labour Policy and Industrial Relations	1 203 442	1 189 746	13 696	1 087 398	1 069 634	17 764
TOTAL		3 282 870	3 086 691	196 179	3 055 821	2 844 019	211 802

Regarding the overall performance of the Department from 1 April 2018 to 31 March 2019, 74% of the targets were achieved and 94% of the budget was spent for the 2018/19 financial year.

PROGRAMME 1: ADMINISTRATION							
		2018/19			2017/18		
		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	41 063	41 063	-	32 252	32 252	-
2.	Management	272 625	272 625	-	256 560	256 415	145
3.	Corporate Services	262 588	225 192	37 396	258 262	200 947	57 315
4.	Office of the Chief Financial Officer	121 708	103 703	18 005	135 178	118 086	17 092
5.	Office Accommodation	183 547	162 334	21 213	178 482	160 977	17 505
TOTAL		881 531	804 917	76 614	860 734	768 677	92 057

The programme 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 91.3% of its allocated budget for the 2018/19 financial year and achieved 75% of the predetermined targets. Therefore the allocation was sufficient to carry out the objectives of the Programme.

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES						
	2018/19			2017/18		
	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	6 953	6 873	80	6 833	6 833	-
2. Occupational Health and Safety	30 516	27 759	2 757	29 772	25 868	3 904
3. Registration: Inspection and Enforcement Services	67 158	62 510	4 648	62 520	61 115	1 405
4. Compliance, Monitoring and Enforcement	472 526	438 975	33 551	432 323	414 853	17 470
5. Training of Staff: Inspection and Enforcement Services	5 684	5 684	-	5 387	4 971	416
6. Statutory and Advocacy Services	9 386	7 410	1 976	8 280	6 525	1 755
TOTAL	592 223	549 211	43 012	545 115	520 165	24 950

The Programme utilised 92.7% of its allocated budget to carry out its mandated objective and deliverables and achieved 50% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES						
	2018/19			2017/18		
	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: Public Employment Services	50 241	48 058	2 183	43 316	42 545	771
2. Employer Services	112 841	89 458	23 383	104 292	76 833	27 459
3. Work-Seeker Services	179 517	156 640	22 877	177 336	130 559	46 777
4. Designated Groups Special Services	13 460	10 125	3 335	12 722	12 221	501
5. Supported Employment Factories and Subsidies to Designated Workshops	153 246	142 175	11 071	147 514	145 995	1 519
6. Productivity South Africa	78 361	78 361	-	60 064	60 064	-
7. Unemployment Insurance Fund	1	-	1	1	-	1
8. Compensation Fund	16 130	16 123	7	15 917	15 917	-
9. Training of Staff: Public Employment Services	1 877	1 877	-	1 412	1 409	3
TOTAL	605 674	542 817	62 857	562 574	485 543	77 031

The Programme utilised 89.6% of its allocated budget to carry out its mandated objective and deliverables and achieved 75% of the predetermined targets. The allocation was sufficient for all operations of the Programme.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS						
	2018/19			2017/18		
	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: Labour Policy and Industrial Relations	22 845	22 845	-	15 640	14 848	792
2. Strengthen Civil Society	20 973	20 973	-	19 823	19 823	-
3. Collective Bargaining	15 484	15 066	418	15 769	14 211	1 558
4. Employment Equity	12 370	12 370	-	16 458	12 562	3 896
5. Employment Standards	19 041	11 704	7 337	15 810	12 143	3 667
6. Commission for Conciliation, Mediation and Arbitration	963 066	963 066	-	864 090	864 090	-
7. Research, Policy and Planning	8 052	8 052	-	8 577	6 416	2 161
8. Labour Market Information and Statistics	44 059	43 061	998	43 166	43 089	77
9. International Labour Matters	51 571	46 629	4 942	48 232	42 619	5 613
10. National Economic Development and Labour Council	45 981	45 980	1	39 833	39 833	-
	1 203 442	1 189 746	13 696	1 087 398	1 069 634	17 764

The Programme utilised 98.9% of its allocated budget to carry out its mandated objective and deliverables and achieved 57% of the predetermined targets. The allocation was sufficient for all operations of the Programme.



5. TRANSFER PAYMENTS

5.1 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 16 100	R 16 100	The Compensation Fund paid the qualifying medical expenses for employees employed under the Public Service Act 1994.
Commission for Conciliation, Mediation and Arbitration (CCMA)	<p>Implement the legislated mandate of the CCMA effectively and efficiently;</p> <p>Enhance and expand the Employment Security mechanisms to save jobs and alleviate business distress;</p> <p>Facilitate improved Collective Bargaining to promote orderly and healthy labour relations;</p> <p>Intensify Dispute Management and Prevention interventions to reduce conflict in the workplace and transform workplace relations; and</p> <p>Improve organisational and governance processes, strive for maximum compliance and mitigate risks in order to ensure maximum organisational performance.</p>	R 963 066	R 963 066	<ul style="list-style-type: none"> The CCMA celebrated its 20-years birthday as an organisation, as the organisation celebrated this milestone on 11 November 2016, it was very important to reflect on the past, and ask the question: "How did the CCMA fare, throughout its years of existence?" Over the twenty (20) years of service, the CCMA registered a total of approximately 2, 7 million referrals. Approximately 800 000 arbitrations have been heard, and 1, 8 million conciliations have been heard. An estimated 1, 7 million cases were heard and closed, and around 1 million cases settled. In the reflections, some of the highlights of the 20 years of CCMA existence were but not limited to the following; over the years, the CCMA played a pivotal role in ending protracted strikes. In 1998, the CCMA resolved the largest single dispute involving 250 000 employees who belonged to the South African Municipal Workers Union (SAMWU), and the CCMA also played a major role in defusing tensions associated with violent strikes in the security and chemicals sectors. The CCMA assisted to end the six (6) month long Airport Workers' strike of 2004. In 2010, the CCMA played a major role in ensuring the success of the 2010 FIFA World Cup by intervening to prevent industrial action. In 2016, the CCMA resolved the Comair strike within two (2) days of being asked to intervene by one (1) of the parties. The CCMA also successfully intervened in the five (5) week municipal Pikitup strike, ending the strike within a week. The Labour Appeal Court also confirmed the CCMA's authority to enforce its awards. On 31 October 2016, a three (3) year agreement was signed following the CCMA's successful resolution of wage negotiations between AMCU and Lonmin, which included a peace obligation that is applicable over the same period. The CCMA also contributed constructively in the review of Employment Laws during 2014. It is also crucial to mention that in 2014, the CCMA's facilitation led to the signing of the first ever strategic labour market accord between the Phalaborwa Mining Company and their stakeholders, which include surrounding communities, labour, government, business and tribal authority. Each and every member of the CCMA should feel proud that they have contributed to the important mission of democracy in a big way, and that is the mission of nation- building. The CCMA has contributed to the re-affirmation of the principles of the Constitution of the Republic of South Africa, cemented the foundations of a democratic and open society in which the will of the people and every citizen is equally protected by law, and instilled a society based on democratic values, social justice and fundamental human rights. Meetings with International Agencies to ensure a healthy functionality of the relationship. The strategic partnership with the International Labour Organisation (ILO) was maintained.

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
Commission for Conciliation, Mediation and Arbitration (CCMA)				<ul style="list-style-type: none"> • After eight (8) years of attempt, the CCMA Case Management System (CMS) was successfully rolled out to three (3) the Department Offices, in a bid to increase accessibility to CCMA services to its vulnerable Users in rural and remote areas of South Africa. • A Memorandum of Understanding (MoU) was signed with Productivity South Africa (PSA) in December 2016 for the purpose of saving jobs. The CCMA facilitated the signing of a Labour Market Accord with the National Economic Development and Labour Council (NEDLAC). • In order to assist workers in the execution of awards in their favour, the relationship with the Sheriffs Board was maintained. • As part of professionalising the labour market and building knowledge and skills, partnerships with the various universities are sustained to ensure the successful delivery of the Labour Relations Dispute Resolution Practice (LRDRP). • In the bid to transform the CCMA into a 21st century institution which is a digitised and connected organisation, the CCMA developed the Electronic Labour Market Monitoring Tool. The importance of this tool lies in the potential benefits that can be yielded from real time monitoring of the labour market in order to identify early warning signals of labour market volatility, enabling the CCMA to intervene timeously to manage conflict and disputes. This tool will play an important role in labour market stability and peace, the Workplace Conflict Diagnosis Tool was also developed, as well as the Report on Online Conciliation and Picketing produced. • The prototype for the CCMA's Mobile Application was also developed which will enable the CCMA to manage its Stakeholder Relations better, through more regular and timeous communication of important notifications. Great strides were made towards contributing to alleviating the triple crisis during the CCMA conducted sectoral interventions in Employment Security matters and conceptualised and established the National Job Saving Forum. • An investigation was also conducted into how the CCMA can build and develop what is termed World-Class Commissioners[®]. The World-Class Commissioners which are highly trained Commissioners, with sector and industry-specific knowledge and skills. A rich research report was also produced with recommendations with the implementation of the report is underway. • The paradigm shift from Dispute Resolution (DR) to Dispute Prevention and Management (DMP) was one of the strategic drivers of the organisation and remains a consistent priority for the CCMA. • The CCMA's outlined its five strategic priorities. The first strategic priority relates to the efficient and effective delivery of the CCMA's statutory mandate. This strategic priority has become increasingly important, given the volatile state of the South African labour market, as evidence by the constant high caseload year on year, with the 2018/19 financial year not being an exception. A total of 193 732 186 902 cases were referred to the CCMA during the 2017/18 financial year, compared to the 186 902 caseload of the previous financial year, and 188 449 of the 2016/17 financial year. • The committed efforts of CCMA facilitators in large-scale retrenchment processes ensured that the CCMA exceeded its job saving target that resulted in 41% jobs saved (15 787), against a target of 35%, of those employees likely to be retrenched (38 588). Actual retrenchments were recorded at 21 391 for the year during the 2018/19 financial year, as compared to 2016/17 period wherein 52% jobs (25 196) of those likely to be retrenched (48 448), with actual retrenchments recorded at 22 293.

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
Commission for Conciliation, Mediation and Arbitration (CCMA)				<ul style="list-style-type: none"> • The CCMA also convened the first ever National Director's User Forums, sector specific, across the country were specifically held as follows: Mining Sector in North West, Magaliesburg; Agricultural Sector in Limpopo, Polokwane; the Retail Sector in Gauteng, Johannesburg Director's User Forum on the Security Sector; the Second Annual CCMA Shop Steward Conference; Sector specific areas of mutual interest were discussed, with various strategic projects that is currently implemented. • In adhering to principles of good Corporate Governance of ethical leadership, responsibility, transparency, and accountability, the establishment of the Complaints Management Function to manage the investigation and responses to all complaints received throughout all platforms, including the whistle – blowing hotline. The Director's Ten Point Plan for has been developed as a tool to set out the vision and priorities for my term of office in a coherent manner. The starting point of a Ten Point Plan is the identification of the current status quo, and subsequently, sets out the target condition, and establishes direction on how to get there • The convening of the CCMA's Inaugural Labour Conference, with the theme "State of readiness: The Implementation of the National Minimum Wage and Employment Law Amendments - The envisaged impact in the labour market". This conference drew approximately 500 delegates. The state of readiness in this context referred to the operational readiness of all stakeholders to implement the NMW Act and transitional arrangements required, in anticipation of the enactment. • A follow-up conference has been convened in the 2018/19 financial year. • The Senzumehluko Strategy which the CCMA strategy was delivered as a five year strategy. Senzumehluko "Making a Difference" Strategy, was a year of transition and change management, of trial and error and learning from those mistakes, of acquiring buy – in from Users and stakeholders in ensuring that there is right foundation firmly laid in order for the CCMA to intensify efforts to accelerate service delivery. These efforts yielded positive result where CCMA has been constantly registering over performance of above the 80% in the delivery of the achievements against the planned target across the three years • In responding to the delivering of the strategy in an effective and efficient manner a new macro-structure focused on the execution of the strategy was developed. The CCMA indeed made considerable progress towards the attainment of the two (2) strategic goals of the strategy, namely: "Enhance and extend service delivery to transform workplace relations and advance development" and "Strive for organisational effectiveness". The CCMA's key strategic objective to enhance the labour market to advance stability and growth seeks to encourage investor confidence by proactively providing guidance and support in Collective Bargaining matters with an overriding aim to promote labour market stability and economic growth and, in so doing, create more jobs. • The CCMA conducted the mid-term impact assessment on the Strategy in order to determine whether the strategic objectives and prioritised interventions of the Senzumehluko Strategy implemented thus far, have had an impact in the labour market as envisaged.

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
Productivity SA	Transferring of productivity knowledge and skills in order to contribute to employment creation, job saving and promoting workplace productivity.	78 361	78 361 (R11 585 was for IT Refresh to be spent in 2019/20)	<ul style="list-style-type: none"> • 10 Productivity awards and regional milestone workshops. • 5 588 Emerging entrepreneurs. • 217 Number of productivity champions, Education, Training and Skills Development Facilitators (ETDs) and beneficiaries trained. • 2 Research reports and publications on priority sectors. • 2 Statistical reports on productivity and competitiveness. • 7 Productivity consultants and practitioners trained as Kaizen Practitioners. • 104 companies capacitated to improve productivity
National Economic Development and Labour Council (NEDLAC)	<p>Promote economic growth, participation in economic decision-making and social equity through social dialogue.</p> <p>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.</p> <p>Considers all proposed labour legislation relating to labour market policy before it is introduced in Parliament</p> <p>Considers all significant changes to social and economic policy before it is implemented or introduced in Parliament</p> <p>Encourages and promotes the formulation of coordinated policy on social and economic matters.</p>	45 981	45 980 (R6 400 was remaining at year end as a conditional grant for the activities of the Job Summit)	<p>Legislation and Policy matters dealt with in 2018/19</p> <ul style="list-style-type: none"> • Special engagement sessions were held in 2018/19 • Household Savings session with the South African Savings Institute • Decent Work Country Programme • Dairy Sector Session • Technical Infrastructure Agencies • Sovereign Ratings Downgrade • Unclaimed Insurance benefits and default regulations • Medium-Term Budget Policy Statement and National Budget • Session on Value Added Tax • Session on Transfer of Taxes to Manufacturing sectors • Session on Financial Sector Charter Council Scorecards • The Transport Appeal Tribunal Amendment Bill • Review of Employment Tax Incentive (ETI) Act • Carbon Tax - Jobs Mitigation Plan • Carbon Tax - Jobs Mitigation Plan • Competition Amendment Bill • Property Practitioners Bill • Job Summit
Unemployment Insurance Fund (UIF)	-	1	-	No funds budgeted or transferred.

5.2 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)	Trading entity	<p>Functions of the SEE as per the Employment Services Act 4 of 2014:</p> <p>(a) facilitate supported employment;</p> <p>(b) provide work opportunities for persons with disabilities;</p> <p>(c) develop and implement programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defined in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), in the light of their evolving needs in a changing economy; and</p> <p>(d) perform any other function as may be prescribed by the Minister.</p>	Yes	153 246	142 175	<p>In terms of targets as per the Annual Performance Report, the entity has achieved 60% of planned targets. These are listed below:</p> <ul style="list-style-type: none"> • 16 marketing product exhibitions conducted by the end of the fourth quarter • Print media campaigns conducted by the end of March 2018 • 106 special schools visited nationally and made aware of the existence of the SEE by the end of March 2018.

***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 2018 to 31 March 2019, 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

TRANSFERS

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000
Transfers to Municipalities	752	752
Municipal Vehicle Licences	752	752
Departmental Agencies and Accounts	1 103 556	1 103 547
Licences (Radio and TV)	40	40
Compensation Fund	16 108	16 100
Unemployment Insurance Fund	1	-
Commission for Conciliation, Mediation and Arbitration	963 066	963 066
Productivity SA	78 361	78 361
National Economic Development and Labour Council (NEDLAC)	45 981	45 980
Foreign Government/International Organisation	25 218	20 278
International Labour Organisation (ILO)	23 984	19 241
ARLAC	1 234	1 037
Non-Profit Institutions	181 212	167 877
SA National Council for the Blind	413	-
Deaf Federation of South Africa (DEAFSA)	291	-
National Council for the Physically Disabled	336	-
Work Centres for the Disabled	146 779	136 779
Work Centres for the Blind	13 460	10 125
Strengthening Civil Society Fund	20 973	20 973
Donations and Gifts NPI	0	0
Households	4 404	4 312
Leave Gratuity	3 894	3 802
Exgratia payments	510	510
TOTAL TRANSFERS AND SUBSIDIES	1 315 142	1 296 766

6. CONDITIONAL GRANTS

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

7. DONOR FUNDS

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



8. CAPITAL INVESTMENT

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

INFRASTRUCTURE PROJECTS	2018/2019			2017/2018		
	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
Maintenance and repairs	3 800	1 671	2 129	3 528	846	2 682
Capital	16 014	10 886	5 128	13 977	2 381	11 596
TOTAL	19 814	12 557	7 259	17 505	3 227	14 278

a) The expenditure incurred during the 2018/19 financial year was for the following projects:-

- R760 099.87 for the site clearance of Garankuwa LC
- R240 876.59 for the site clearance of Temba LC
- R67 935.10 for the site clearance of Lusikisiki LC
- R1 201 411.00 for the construction of the Rustenburg LC
- R48 714.66 for the construction of the walkway in Rustenburg LC
- R4 000 000 for the construction planning of Carolina Labour centre
- R85 250.55 for the construction planning of Taung LC
- R687 149.29 for the construction planning of Standerton LC
- R2 000 000 for the planning of Sabie LC
- R679 765.55 for the construction of Swellendam Satellite Office
- R1 100 000 for the procurement of site for Ulundi LC

b) Spending of budget for capital project is still a challenge due to slow implementation by National Department of Public Works.





PART C
GOVERNANCE





PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to maintaining the highest standards of governance which is fundamental to the management of public finances and resources. The public wants 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.

2. RISK MANAGEMENT

The Department has a fully established Risk Management Committee chaired by an Independent Chairperson. The Committee advises the Accounting Officer on the overall risk management systems, including the mitigation of unacceptable levels of risk. The Committee recommended for approval and the Accounting Officer approved the revised risk management policy, risk management framework and risk management implementation plan.

Risk assessments are conducted annually during the Department's Strategic Planning period and thereafter monitored quarterly. During the year under review the Committee met four times and it was satisfied with the progress on the implementation of the mitigation strategies in addressing the risks identified.

The Audit Committee has an overall responsibility to evaluate the System of Internal Control and Corporate Governance, including the effectiveness of the Risk Management Processes.

3. ETHICS AND ANTI-CORRUPTION MANAGEMENT

The Department is committed to ensure that "A high standard of professional ethics is promoted and maintained" as outlined in Section 195 of the Constitution of the Republic of South Africa.

In response to the Public Service Regulations, 2016, Regulations 23 (2) the Department has ensured that there is a strong leadership commitment that sets a clear ethical tone by creating an environment that supports ethically sound behaviour and instils a sense of shared accountability among employees.

The Department has an Ethics Committee chaired by an Ethics Champion that provides oversight on ethics management and ensures integration of ethics into the core business of the department to achieve its objectives as set out in its delivery standards.

The Ethics Committee through the Ethics Office ensures the management of conflict of interest in order to promote just and fair administrative actions of officials and thereby protecting public service from actions that may be detrimental to its functioning and that may constitute unlawful administrative actions as a result of conflicts of interests.

By ensuring adherence of employees to the Code of Conduct, manage disclosure of financial interest and declaration of gifts, managing other remunerative work, monitor conducting business with an organ of state as outlined in Regulation 13(c) and referral of allegations of corruption to the relevant offices for investigation.

Ethics and Anti-corruption awareness are conducted throughout the period of reporting to create awareness to staff about the impact of unethical conduct, corruption and non-compliance.

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.

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.

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/obstruction/illumination in buildings
- Safety of officials against hazards
- The protocol to report incidents
- Contravention/prohibitions/improvements notices
- Poor housekeeping
- Inspections reports
- Obstructions
- OHS compliance checklists to be completed monthly
- Training to internal staff regarding OHS matters
- Training of OHS Reps
- Contingency plan
- Evacuation drills.

7. PORTFOLIO COMMITTEES

DATE	NATURE OF MEETING
Tuesday, 17 April 2018	Deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Wednesday, 18 April 2018	Deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Thursday, 19 April 2018	Deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Friday, 20 April 2018	Briefing by AGSA on the audit performance of the Department and its entities Deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Wednesday, 25 April 2018	Briefing on the Annual Performance Plans and Strat Plans of the Department and entities: Budget Vote 18: Labour
Wednesday, 2 May 2018	<ul style="list-style-type: none"> • Engagement with race-horse groomers
Friday, 4 May 2018	Final deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Wednesday, 9 May 2018	Final deliberations on the three Bills referred to the Committee, namely <ul style="list-style-type: none"> • National Minimum Wage Bill; • Basic Conditions of Employment Bill; and • Labour Relations Amendment Bill.
Wednesday, 16 May 2018	<ul style="list-style-type: none"> • Briefing on QPR3 of the Department and entities
Wednesday, 23 May 2018	<ul style="list-style-type: none"> • Update by the Department on the Action Plan of the Compensation Fund
Wednesday, 30 May 2018	<ul style="list-style-type: none"> • Update by the Department on the Labour Activation Plan of the UIF
Wednesday, 6 June 2018	<ul style="list-style-type: none"> • Briefing by the High Level Panel on its recommendations pertaining to the Labour Sector
Wednesday, 13 June 2018	<ul style="list-style-type: none"> • SAGA presentation • Horse racing Industry.
Wednesday, 22 August 2018	<ul style="list-style-type: none"> • Briefing by the Department on complaints forwarded for actioning.
Wednesday, 29 August 2018	<ul style="list-style-type: none"> • Briefing on Fourth Quarterly Performance of Department and its entities.
Wednesday, 5 September 2018	<ul style="list-style-type: none"> • Briefing by the Content Advisor on the High Level Panel recommendations pertaining to the Labour Sector; • Briefing by the office of the AGSA on the audit outcomes of the Department and its entities.
Wednesday, 12 September 2018	<ul style="list-style-type: none"> • Briefing by the Department on the Annual Reports of the following entities (BRRR process): <ul style="list-style-type: none"> » Compensation Fund; » CCMA; and » Productivity SA • Briefing by the Department on the National Minimum Wage Regulations.

DATE	NATURE OF MEETING
Wednesday, 24 October 2018	<ul style="list-style-type: none"> • Briefing by the Department on Action Plan of the CF in view of the Audit outcomes by the AGSA • Briefing by the Department on Labour Activation programme of UIF.
Wednesday, 10 October 2018	Briefing on the Annual Reports of the following entities: <ul style="list-style-type: none"> • SEE; • UIF; and • NEDLAC.
Wednesday, 17 October 2018	<ul style="list-style-type: none"> • Consideration for adoption of the Draft Budgetary Review and Recommendation Report 2017/18
Wednesday, 24 October 2018	<ul style="list-style-type: none"> • Briefing by the Department on the Action Plan of the CF in view of the audit outcomes by the AGSA; • Briefing by the Department on the Labour Activation Programme of the UIF.
Wednesday, 31 October 2018	<ul style="list-style-type: none"> • Briefing by the Department on the status of Labour Centres and SEE projects, nationwide • Briefing by the Research Unit on the effect of the 4th Industrial Revolution to the Labour Sector.
Wednesday, 7 November 2018	<ul style="list-style-type: none"> • Briefing by the Ministry of Labour on the Jobs Summit Report of 2018; • Briefing by the Content Advisor on the Committee's 2018 Annual and the Committee's 5th Parliament Legacy Reports (2014 - 2019);
Wednesday, 14 November 2018	<ul style="list-style-type: none"> • Briefing by trainer Association Representatives on the working and living conditions of the grooms in the horse racing industry • Briefing by the Department on Blitz Inspections conducted on the horse racing industry nationwide.
Wednesday, 21 November 2018	<ul style="list-style-type: none"> • Walk-in at the Cape Town Labour Centre;
Wednesday, 5 December 2018	<ul style="list-style-type: none"> • Briefing by the Phumelela Gaming and Leisure Representatives on the lease agreement and living conditions of the grooms in the horse-racing industry; • Briefing on the First Quarterly Performance of the Department and its entities.
2019	
Wednesday, 16 January 2019	<ul style="list-style-type: none"> • Briefing by the Department and Parliamentary Legal Services on the proposed technical amendments to the National Minimum Wage Act.
Wednesday, 20 February 2019	Briefing on the First and Second Quarterly Performance of the following entities: <ul style="list-style-type: none"> • Compensation Fund; • Unemployment Insurance Fund; • Productivity SA.
Wednesday, 27 February 2019	<ul style="list-style-type: none"> • Briefing by the Productivity South Africa on challenges affecting sustainability of the entity as well as its alternative funding plans
Wednesday, 6 March 2019	<ul style="list-style-type: none"> • Briefing by CF, Inspectorate Report concerning top 20 companies that were found to be non-compliant • Briefing by SEE on its plan to improve on performance and sales.
Monday, 18 March 2019	<ul style="list-style-type: none"> • Finalisation of the National Minimum Wage Amendment Bill

SELECT COMMITTEE ON ECONOMIC AND BUSINESS DEVELOPMENT

DATE	NATURE OF MEETING
Tuesday, 22 May 2018	Annual Performance Plan and budget for 2018-2019 Financial Year
Tuesday, 19 June 2018	Consideration of written submissions on the following Bills: <ul style="list-style-type: none"> • Basic Conditions of Employment Amendment Bill [B30A -2017] • National Minimum Wage [B31A – 2017] • Labour Relations Amendment Bill [B32A-2017] • Labour Laws Amendment Bill [B29-2017].
Wednesday, 20 June 2018	Consideration of written submissions on the following Bills: <ul style="list-style-type: none"> • Basic Conditions of Employment Amendment Bill [B30A -2017] • National Minimum Wage [B31A – 2017] • Labour Relations Amendment Bill [B32A-2017] • Labour Laws Amendment Bill [B29-2017].
Tuesday, 26 June 2018	Consideration of written submissions on the following Bills: <ul style="list-style-type: none"> • Basic Conditions of Employment Amendment Bill [B30A -2017] • National Minimum Wage [B31A – 2017] • Labour Relations Amendment Bill [B32A-2017] • Labour Laws Amendment Bill [B29-2017].
Wednesday, 27 June 2018	Consideration of written submissions on the following Bills: <ul style="list-style-type: none"> • Basic Conditions of Employment Amendment Bill [B30A -2017] • National Minimum Wage [B31A – 2017] • Labour Relations Amendment Bill [B32A-2017] • Labour Laws Amendment Bill [B29-2017].
Tuesday, 7 August 2018	Consideration of written submissions on the following Bills: <ul style="list-style-type: none"> • Basic Conditions of Employment Amendment Bill [B30A -2017] • National Minimum Wage [B31A – 2017] • Labour Relations Amendment Bill [B32A-2017] • Labour Laws Amendment Bill [B29-2017].

SELECT COMMITTEE ON PETITIONS AND EXECUTIVE UNDERTAKINGS

DATE	NATURE OF MEETING
Wednesday, 10 October 2018	Consideration of the Terblanche Petition (Petition calling for the amendment of section 27 of the Basic Conditions of Employment Act 75 of 1997).
Thursday, 8 November 2018	Alleged cover-up by the Public Service Commission with regard to reported irregularities, maladministration, nepotism, fraud, poor working conditions and victimisation of employees within the Khayelitsha District Hospital.
Wednesday, 20 March 2019	Alleged cover-up by the Public Service Commission with regard to reported irregularities, maladministration, nepotism, fraud, poor working conditions and victimisation of employees within the Khayelitsha District Hospital.

8. SCOPA RESOLUTIONS

SCOPA RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
Two (2) -ATC131106	Second (2nd)	Recommendations to the Auditor-General's findings	The previous SCOPA resolution received by the Department was the second (2nd) report in respect of the financial year ended 31 March 2012. Quarterly progress reports were submitted to SCOPA.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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
Qualification	Unqualified opinion	Unqualified opinion
Disclaimer	None	None
Adverse opinion	None	None
Matters of non-compliance	None	None

EMPHASIS OF MATTER

The Auditor-General drew attention to the matters below. The Auditor-General's opinion is not modified in respect of this matter

UNDERSPENDING OF THE VOTE

- As disclosed in the appropriation statement, the department materially underspent the budget by R211 802 000 primarily on programmes 1 and 3

2017/18

- The statements were corrected at financial year-end and accepted by the Auditor-General
- No similar misstatements were raised during the 2017/18 reporting period.

OTHER MATTERS

Unaudited supplementary schedules

SAP contract

- The Department and its entities entered into an updated SAP contract in February 2017 without a developed SAP utilisation roadmap. The commitment was made to renew SAP and migrate the databases without a migration costing being performed, prior to the renewal of the licences that may result in increased ICT costs over the implementation period.
- The roadmap on the SAP deployment was developed seven months into the renewal period of SAP, although at initiation of the contract the department was only utilising 16% of the products procured. The roadmap, referred to above, did not have an implementation agent as at reporting date and will only be rolled out once the implementation agent has been appointed. Subsequently the department is still busy in the pre-implementation stage of the project whilst 40% of the contract has expired. The department is at risk of losing the benefits procured in the SAP contract due to the poor planning and implementation of the contract.

2017/18

- Environment for implementation of eCoid at CF has been setup on the cloud
- SAP Roadmap Implementation environment has been setup on a temporary cloud
- A report to NT will be done by 31 May 2019, after blueprint workshop which will indicate the modules that will be used during implementation and not renew the ones that will not be used.

Report on the audit of the annual performance report –

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

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									
PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES											
<p>Various indicators</p> <p>The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:</p> <table border="1" data-bbox="162 459 767 728"> <thead> <tr> <th></th> <th>REPORTED ACHIEVEMENT</th> <th>AUDITED VALUE</th> </tr> </thead> <tbody> <tr> <td>Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days</td> <td>35%</td> <td>18%</td> </tr> <tr> <td>Percentage of reported incidents investigated and / or finalised within the prescribed time</td> <td>75%</td> <td>63%</td> </tr> </tbody> </table>		REPORTED ACHIEVEMENT	AUDITED VALUE	Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days	35%	18%	Percentage of reported incidents investigated and / or finalised within the prescribed time	75%	63%	2016/17	<ul style="list-style-type: none"> Provinces were instructed to conduct labour centre verification prior to submitting the QPR. Thereafter Head Office will conduct provincial verifications The verification report tool for 2019/20 is designed to ensure that all relevant aspects of statistic are adhered to Training on the SOP, TID and legislation was conducted for all provinces and audit findings incorporated into the training.
	REPORTED ACHIEVEMENT	AUDITED VALUE									
Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days	35%	18%									
Percentage of reported incidents investigated and / or finalised within the prescribed time	75%	63%									
<p>No material findings raised on the usefulness and reliability of the reported performance information for the following programmes:</p> <ul style="list-style-type: none"> Programme 3: Public employment services Programme 4: Labour policy and industrial relations 		N/A									
Other Matters – Achievement of planned targets											
The Auditor-General draw attention to the following matters:											
<p>ACHIEVEMENT OF PLANNED TARGETS</p> <p>Refer to the annual performance report on pages 49 to 52, 55 to 58 and 61 to 65 for information on the achievement of planned targets for the 2017/18 financial year and explanations provided for the under/over achievement of a number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information.</p>	2016/17	<ul style="list-style-type: none"> During 2018/19 financial year, the Management of the Department held an extended DEXCOM meeting to address the management of labour centres and provincial offices. The overall performance of the Department did improve from the first quarter in the financial year until the last quarter. The number of audit findings have reduced compared to the previous financial year 									
Report on audit of compliance with legislation											
The material findings on compliance with specific matters in key legislations are as follows:											
<p>Annual financial statements</p> <p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1) (b) of the PFMA. Material misstatements of tangible and intangible assets identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	2016/17	<ul style="list-style-type: none"> The statements were subsequently corrected and accepted by the Auditor-General. 									

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
<p>Expenditure management</p> <ul style="list-style-type: none"> Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 236 000, as disclosed in note 23 of the 2017/18 annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the non-adherence to procurement processes. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R4 024 000, as disclosed in note 24 of the 2017/18 annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by damages to department vehicles. 	2015/16	<ul style="list-style-type: none"> Identify officials dealing with the awarding of procurement in Head Office and Provincial Offices Schedule training for the identified offices Supply Chain Management inspections to ensure adherence to prescripts Report to the CFO, by means of an inspection report, on non-compliance discovered at the Provincial Offices All deviation requests will be submitted to National Treasury for evaluation and review as per National Treasury Instructions Disciplinary action is taken against officials who do not comply with SCM prescripts To ensure accountability and compliance, newly appointed managers are orientated in respect of the PFMA, Treasury Regulations and SCM prescripts.

OTHER MATTERS**Internal control deficiencies**

The Auditor-General considered internal control relevant to the audit of the financial statements, reported performance information and compliance with applicable legislation; however, the objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the compliance with applicable legislation and the findings on the annual performance report.

<p>Leadership</p> <p>The Accounting Officer did not have sufficient monitoring controls to ensure proper implementation of the overall process of monitoring of predetermined objectives for Programme 2 - Inspection and Enforcement Services as well as compliance with legislation. This resulted in findings on predetermined objectives and compliance with legislation. In addition, management did not take adequate actions to address the internal control deficiencies identified during the audit.</p>	2015/16	<ul style="list-style-type: none"> During 2018/19 financial year, the Management of the Department held an extended DEXCOM meeting to address the management of labour centres and provincial offices. The overall performance of the Department did improve from the first quarter in the financial year until the last quarter. The number of audit findings have reduced compared to the previous financial year.
<p>Financial and performance management</p> <ul style="list-style-type: none"> The Accounting Officer did not always prepare regular, accurate and complete financial statements and performance reports that are supported by reliable evidence and aligned to the financial and performance reporting framework. This resulted in material misstatements in the annual financial statements for tangible and intangible assets, which were subsequently corrected; this includes material misstatements on the annual performance report. The Department did not have appropriate record management systems to ensure that complete, relevant and accurate information is accessible and available to support performance information reporting for programme 2: Inspections and Enforcements Services. 	2015/16	<ul style="list-style-type: none"> The statements and the performance report were corrected and accepted by the Auditor-General Provinces were instructed to conduct labour centre verification prior to submitting the QPR. Thereafter Head Office will conduct provincial verifications The verification report tool for 2019/20 is designed to ensure that all relevant aspects of statistic are adhered to Training on the SOP, TID and legislation was conducted for all provinces and audit findings incorporated into the training.

10. INTERNAL CONTROL UNIT

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

- Workshop held to discuss findings raised by the Auditor-General, which was attended by Head Office and Provincial Office's officials. During the workshops each office was assisted with developing an audit action plan from their respective audit management reports
- After receipt of the Management Reports 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 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.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Department of Labour's Accounting Officer has established an Internal Audit Activity under the leadership of an audit committee that provides direction, 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 Directorate performed the audits for both the Department of Labour and Supported Employment Enterprise (SEE).

THE INTERNAL AUDIT (IA) ACTIVITY REVIEWS ARE 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
- Assessment of the adequacy and effectiveness of controls around information technology processes.

KEY ACTIVITIES

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

SUMMARY OF WORK DONE

The Internal Audit provided both assurance and consulting services during the financial year and continue to provide an advisory roles in the review of the Annual Performance Plans.

THE FOLLOWING AUDIT TYPES WERE PERFORMED:

DEPARTMENT OF LABOUR		
AUDIT TYPE	NUMBER OF AUDITS	PERCENTAGE
Compliance/Regularity	7	21%
Financial Audits	2	6%
Risk Management/Governance	1	0%
Strategic Plan and Annual Performance Plan Performance Information (Pre-determined objectives)	12	35%
IT Audits	5	14%
Follow-up reviews	7	21%
TOTAL	34	97% (33 of 34)

SUPPORTED EMPLOYMENT ENTERPRISE		
AUDIT TYPE	NUMBER OF AUDITS	PERCENTAGE
Compliance/Regularity	3	7%
Financial Audits	2	13%
Risk Management/Governance	1	7%
Strategic Plan and Annual Performance Plan Performance Information (Pre-determined objectives)	4	27%
IT Audits	2	13%
Follow-up reviews	3	20%
TOTAL	15	73% (11 of 15)

97% (33/34) of the Department of Labour Internal Audit reports were completed. The Directorate Internal Audit commenced with the Audit on Risk Management in the last quarter (Q4) of the financial year but could not finalise the audit. The audit has been deferred to the 2019/20 financial year. 73% (11/15) of the Supported Employment Enterprise Internal Audit reports were completed. The Directorate: Internal Audit covered both the the Department and SEE audit plans; however priority of the resources was allocated at the the Department.

ASSESSMENT OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE PROCESSES

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

Department of Labour

Assessment of Internal Control, Risk Management and Governance Processes

Internal Controls

The opinion is an accumulative view of audits performed conducted throughout the 2018/19 financial year. In our opinion, the overall control environment of the the Department is adequate, however partially effective due to the inconsistent implementation of recommendations, management action plans and poor poor monitoring of controls.

Contract Management

- Ineffective processes due to inconsistent implementation of the Contract Management process and poor record keeping.

High Level Review- Interim Financial Statements

- There was ineffective implementation of management controls to ensure the accurate and fair presentation of Interim Financial

Statements. Management should develop cut-off processes for province. Amendments to the financial statements (Lead schedules) after the cut-off date should be done in writing for approval by the CFO.

Inspection and Enforcement Services

- The controls implemented by management were ineffectively implemented, due to the delays in the enforcement of Labour Legislation.

Provincial Performance Information

- There were non-alignment of performance agreement's, Business unit/labour Centre work plan with the Provincial work plan
- Some of the indicators/targets were inaccurately reported this indicates the internal controls implemented by management to ensure that the reported information is valid, accurate and complete are ineffective.

Risk Management

The Directorate: Internal Audit was unable to give an overall conclusion and or opinion until the Risk Management audit is completed, however we recommend that management should align the identification of risks process with the Department's planning processes. This will allow the timely implementation of overall Risk Management processes and interventions required.

Governance Processes

The opinion is an accumulative view of audits performed as allocated during the 2018/19 financial year. The overall governance processes within the Department of Labour is adequate however the effectiveness of oversight structures requires improvement. The Departments needs to improve on the timely implementation of the Governance structures resolutions.

Supported Employment Enterprise

Assessment of Internal Control, Risk Management and Governance Processes

Internal Controls

The opinion is an accumulative view of audits performed conducted throughout the 2018/19 financial year. In our opinion, the overall control environment of the SEE is partially adequate, due to some outdated policies that need to be reviewed, strengthening of human resources in ensuring proper segregation of duties of the SEE procurement processes and consistent monitoring of controls.

Risk Management

The opinion is an accumulative view of audits performed as allocated during the 2018/19 financial year. The Risk Management processes of the SEE are inadequately implemented which leads to poor implementation of the Risk Management processes and frameworks. The lack of resources to fully implement Risk Management strategies and policies, inconsistent support by the the Department Risk Management to ensure that SEE management processes are included in the overall processes of the SEE.

Governance Processes

The opinion is an accumulative view of audits performed as allocated during the 2018/19 financial year. The overall governance processes within the SEE was ineffective due to the non-Compliance with the sec 45 of the Employment Services Act and the lack of convening meetings by the Management Committees to provide overall leadership and guidance on the operations of the SEE.

Audit Committee Responsibility

The Audit Committee has discharged its oversight responsibilities to the Department of Labour (the Department) independently and objectively in compliance with Section 76 and 77 of the PFMA. 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 (the Department) has a constituted Audit Committee, comprising of four independent members and remained instrumental in providing independent advice to the Department. The Committee also provided oversight responsibilities to the Supported Employment Enterprise (SEE). That these meetings are attended by the broader leadership team of the Department and has provided the opportunity for governance deliberations to be informed by both the invaluable insights into the core activities of the Department on the one hand, as well as market trends and external perspective on the other.

12. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

INTRODUCTION

The establishment of the Audit Committee is premised on a statutory foundation, in the form of the PFMA [Section 38(1)(a)(ii)] and the Treasury Regulations [Paragraph 3.1.13]. The Committee is pleased to present its report for the financial year ending 31 March 2019. The report is presented in accordance with the requirements of the Public Finance Management Act 1 of 1999, and also 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 (i.e. the Audit Committee Charter) and has discharged its responsibilities as contained therein and regulated its affairs in compliance with the Charter.

COMMITTEE COMPOSITION

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

Details pertinent to the Committee are contained in the table below, which discloses relevant information on the audit committee members.

RELEVANT INFORMATION ON THE AUDIT COMMITTEE MEMBERS

NAME	RANK	QUALIFICATIONS	DATE APPOINTED	DATE RESIGNED/ CONTRACT ENDED	NUMBER OF MEETINGS ATTENDED	COMMENT
Ms. Tinyiko Mhlari	Member (External)	<ul style="list-style-type: none"> B.Com: Financial Accounting (Cum Laude) B.Com Hons: Accounting Higher Diploma: Tax Law CA(SA) RA 	October 2017	Resigned 25 February 2019	4/4	Independent non-executive
Mr. Sikhuthali Nyangintsimbi	Member (External)	<ul style="list-style-type: none"> MPhil (Internal Auditing) MBL B.Com CIA CRMA CGAP CCSA 	October 2017	N/A	4/4	Appointed to the Acting Chairperson capacity effective 05 April 2019. Independent non-executive
Ms. Lorraine Francois	Member (External)	<ul style="list-style-type: none"> MBA (ERM-focused Dissertation) B. Com. PG Certificate in Accounting CRMA GIA. 	October 2017	N/A	4/4	Compensation Fund (CF) Chairperson Independent non-executive

NAME	RANK	QUALIFICATIONS	DATE APPOINTED	DATE RESIGNED/ CONTRACT ENDED	NUMBER OF MEETINGS ATTENDED	COMMENT
Ms Deidre Botha	Member (External)	<ul style="list-style-type: none"> • Chartered Director (SA) • Masters in Business Administration • Higher Diploma Computer Audit • MAP • CIA • CISA • CRMA 	October 2017	Oct 2018	2/4	Independent non-executive
Dr Prittish Dala	Member (External)	<ul style="list-style-type: none"> • Doctor in Philosophy (Information Technology) • Masters in Information Technology • Bsc Computer Science • Bachelor of Information Technology • CISA • CRISC • CISM • CGEIT • CISSP • CEH • CHFI • LA 27001 	December 2018	N/A	2/4	Acting UIF Chairperson Independent non-executive

EFFECTIVENESS OF INTERNAL CONTROL

In line with the PFMA and Treasury Regulations, Internal Audit provides the Audit Committee and management with assurance on the adequacy and effectiveness of the internal controls. This is achieved amongst others by means of:

- a. The enterprise risk management (ERM) infrastructure, which entails the pertinent risk policies, ERM framework, related processes, etc.
- b. Outcomes of the evaluation of the various internal control processes within the Department
- c. An assessment of the sufficiency with which management responds to recommended corrective actions
- d. The consistency with which matters pertaining to governance are addressed as part of the collective effort towards enhancing the control environment.

The Audit Committee is of the opinion that the control environment and the controls are fairly adequate in most areas. However, with regards to effectiveness in relation to mitigating against risks pertinent to the pursuit of organisational objectives, such controls have not been consistent. Our opinion is, of course, informed by the work conducted by Internal Audit, outcomes of the Auditor General's (AGSA) audits and management report, as well engagements with management and other stakeholders during the course of the financial year.

The adequate design of the controls in most of the areas has ensured that the Department maintains its level of sound financial management practices. We are, however, concerned at how the Department handles the coordination of interdependencies, which is critical given the size and complexity of Department as well as its geographic spread. In addition, the integrity of information – as showing up through financial misstatements, the rigour with which audit action items are addressed, etc. – is an area that requires further prioritisation, particularly since deliberations made and decisions taken are often informed by the information at hand.

Another aspect that remains in the radar screen is ICT governance. And this is particularly informed by, amongst others, the:

- a. Significant investment, in terms of ICT infrastructure, that has been undertaken
- b. Added emphasis that matters pertaining to technology increasingly carry, as Industry 4.0 approaches
- c. Cybersecurity related risks that are becoming more complex
- d. Etc.

As such, related opportunities that could be seized through further improved ICT governance could include:

- ICT strategy reviews, particularly with regards to their value proposition and fitness for purpose. Necessarily, this also talks to the capacitation of the ICT Function in terms of expertise, including programme management office, cyber security strategy, etc.
- Uniform and coordinated implementation of ICT initiatives across the Department in support of effective of service delivery whilst also strengthening the cybersecurity posture
- The development and implementation of a management information system to strengthen the process of collation and reporting of the Department's Performance Information
- The development of business processes to create an enabling environment for the integration of systems within the Department
- The reporting of Performance Information that is inadequately supported by valid, complete and accurate evidence
- The establishment of an effective contract management system to counter the control deficiencies on accruals and commitments that lead to irregular expenditure
- The delays in the effective implementation of management action plans to improve areas of identified weaknesses and eliminate the recurrence of audit findings
- Improvement in the level of compliance on Government Regulatory framework.

Another area that requires further priority, is the insufficiency with which corrective measures on findings (accuracy, validity and reliability) raised during the quarter reviews by both Internal Audit and the Audit Committee are implemented. There is also a need for further strengthened interventions in terms of monitoring, as well as the management of commitments and accruals, which result in irregular expenditure.

Nonetheless, the Audit Committee is encouraged by the strides taken across the Department, with the leadership team collectively in pursuit of organisational goals (predetermined objectives).

Supported Employment Enterprise trading as Supported Employment Enterprise (SEE)

The Audit Committee acknowledges the collective efforts aimed at strengthening the control environment within the SEE. However, the regression in terms of AGSA outcomes is of concern. The Committee is of the opinion that aspect to be prioritised, in seeking to further enhance the control environment, include the following:

- Building skills and capacity in the financial and supply chain management area, whilst also creating space for proper segregation of duties in the following areas:
 - » The compilation and review of the SEE annual, quarter and annual financial statements.
 - » Strengthening of the SEE Supply Chain Management processes by ensuring that SCM processes are consistently implemented to ensure compliance with the applicable legislation.
- Ineffective implementation and monitoring of controls and the implementation of action plans;

The Committee is also mindful that the Department, in undertaking these efforts, is informed by the strategic imperative which it is committed to. That is, that of ensuring continuity of the SEE, as part of the broader socioeconomic transformation that is specifically targeted at persons living with disabilities.

Internal Audit

The Department has a fully established Internal Audit Function that is headed by a Chief Audit Executive. The Internal Audit delivered on its annual plan for the year, which incorporated both the Department and the SEE entity, with its current resources. The committee is satisfied that the Internal Audit has operated adequately, despite its limitation of resources (human resource) for the period under review.

Capacitation in terms of ICT focused skills and competencies remains a necessity in order to further improve on the depth of reviews relating to this area of specialty. The work performed by Internal Audit has enabled the Committee to fulfil its duties around Compliance, Financial Management, Performance and Information Technology, and Governance broadly.

The committee is of the opinion that the coordination of the work between internal audit, risk management and external audit remains adequate, although there is room for further improvement.

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 (viz. the 2018/19 action plan). However, the Committee has concerns around the inadequacy of timeliness with which the implementation of action plans is undertaken, as this could result in the recurrence of audit findings.

Risk Management

The Department has a risk management function in place, in line with the PFMA. The Audit Committee has evaluated the risk management reports during the year, and is satisfied that through the Risk Management Committee recommendations, Internal Audit was able to focus on the key risks facing the Department. Efforts by the Department to continually demonstrate the interconnectedness between strategic risks and operational ones has contributed towards strengthening the basis for internal audit plan formulation. The Committee has noted that there is a need to improve the Department's risk maturity level, which will assist in the effective treatment of risks, the socialisation of the risk appetite initiative, etc. and is concerned with the timing of the SEE risk assessment which requires improvement. On the other hand, collective efforts aimed at higher-prioritising business continuity management are noted – though there is some more work to do, but the effort thus far is a positive step.

In-Year Management and Monthly/Quarterly Report

The Audit Committee was appraised with quarterly financial reports and quarter progress reports (QPR) during the year. The Audit Committee is concerned that Internal Audit recommendations were not adequately implemented during the quarter reporting to ensure correction and or accurate reporting of organisational performance.

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 audit 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.

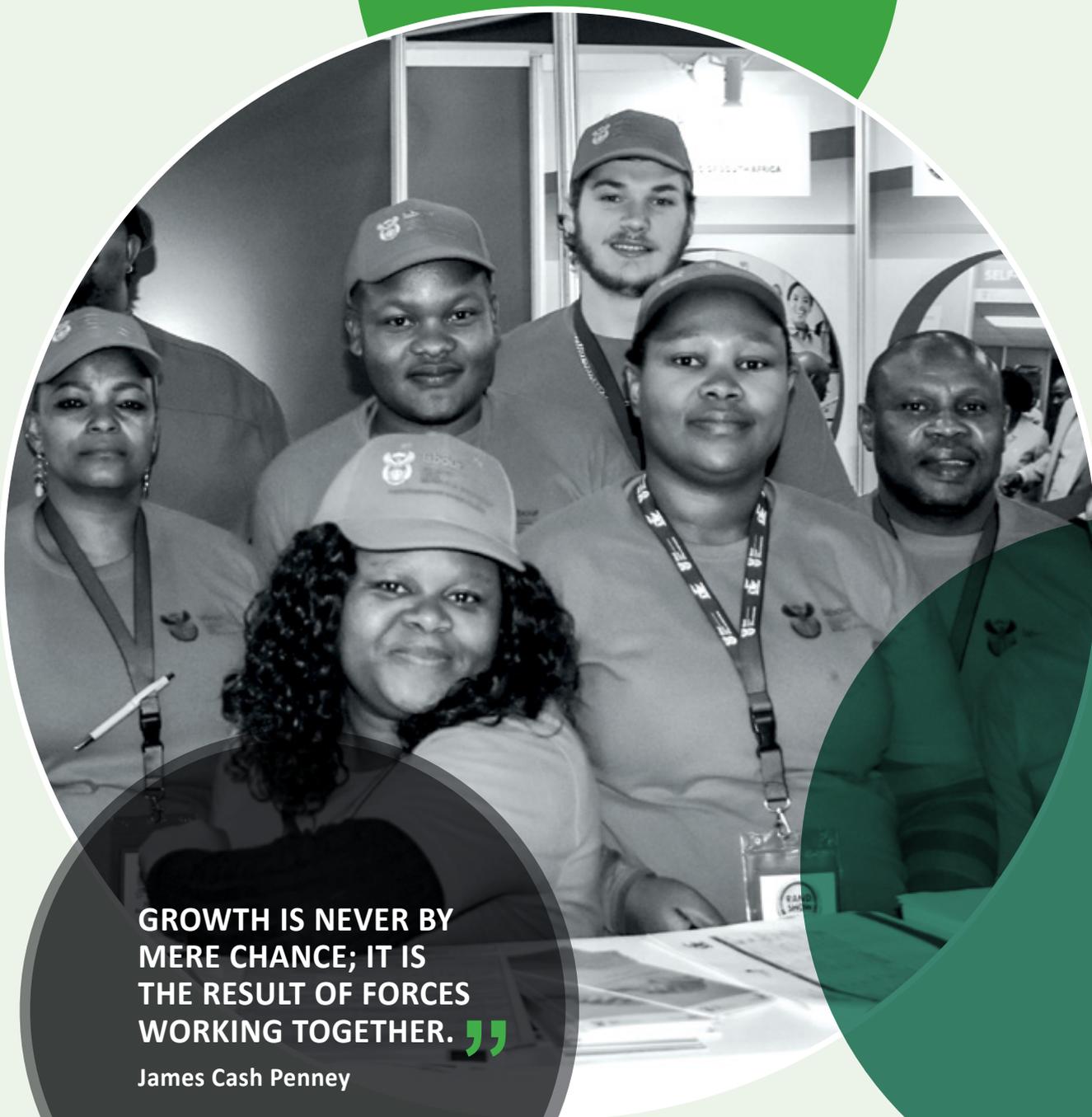
Appreciation

The Committee acknowledges the efforts and work by management and remains 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.



Mr S Nyangintsimbi
Acting Chairperson of the Audit Committee

Date: 31 July 2019



**GROWTH IS NEVER BY
MERE CHANCE; IT IS
THE RESULT OF FORCES
WORKING TOGETHER. ”**

James Cash Penney





PART D

HUMAN RESOURCE MANAGEMENT





PART D: HUMAN RESOURCE MANAGEMENT

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.



2. OVERVIEW OF HUMAN RESOURCES

The Department of Labour MTEF Human Resources Plan 2015-2020 and the Human Resources Plan Implementation Report 2017/18 were assessed by the Department of Public Service and Administration. The purpose of the assessment was to improve the quality of HR planning at Department level by evaluating both the level of compliance and the content of the Plan and the Report. The MTEF Human Resources Plan 2015 - 2020 was then adjusted during the financial year 2018/19 and submitted as per audit assessment.

The following are some of the key achievements for the financial year:

- Electronic leave (E-Leave) system has been introduced and is being implemented to improve efficiencies with regard to leave administration
- Operations Management training has been conducted to capacitate Chief Directors: Provincial Operations and Deputy Directors: Labour Centre Operations
- Management Development Programmes were implemented to empower targeted groups at different levels in the Department
- Implementation of some of the critical recommendations of the Employee Satisfaction Survey (ESS) were implemented, for example granting of 100% financial study assistance for bursary holder, review of short learning agreement with a view to encourage participation of employees in training and development interventions, etc
- Introduction of Electronic Performance Management System to improve management of performance and development in the Department
- Training on investigation of grievances and misconduct cases was conducted to build capacity of designated employees and investigating officers
- Appointment of a service provider to render medical surveillance targeting OHS Inspectors, CSOs, Call Centre Operators and Divers.

CHALLENGES

- Attraction and retention of talent in key/critical positions is a challenge due to competition in the labour market.



3. HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL RELATED EXPENDITURE

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

TABLE 3.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NO. OF EMPLOYEE	TRAINING EXPENDITURE (R'000)	PROFESSIONAL AND SPECIAL SERVICES EXPENDITURE (R'000)
Administration	804 917	367 203	404	45.62	909	10 494	5 350
Inspection and Enforcement Services	549 211	432 431	390	78.74	1 109	5 683	506
Public Employment Services	542 817	255 780	457	47.12	560	1 878	195
Labour Policy and Industrial Relations	1 189 746	94 267	491	7.92	192	614	2 812
TOTAL	3 086 691	1 149 681	415	37.25	2 770	18 669	8 863

TABLE 3.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	PERSONNEL EXPENDITURE AS PERCENT OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES
Top Management (Levels 15 - 16)	17 643	1.53	1 604	0.57	11
Senior Management (Levels 13 - 14)	68 847	5.99	1 147	2.23	60
Professional Qualified (Levels 9 - 12)	336 821	29.30	727	10.91	463
Skilled (Levels 7 - 8)	386 070	33.58	420	12.51	920
Semi-skilled (Levels 4 - 6)	321 085	27.93	271	10.41	1 184
Unskilled (Levels 1 - 3)	19 215	1.67	146	0.62	132
TOTAL	1 149 681	100.00	415	37.25	2 770

TABLE 3.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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	254 361	22.12	6 796	0.59	11 272	0.98	19 409	1.69
Inspection and Enforcement Services	312 100	27.15	209	0.02	14 596	1.27	25 256	2.20
Public Employment Services	181 275	15.77	332	0.03	6 057	0.53	10 360	0.90
Labour Policy and Industrial Relations	65 417	5.69	136	0.01	2 106	0.18	3 620	0.31
TOTAL	813 153	70.73	7 473	0.65	34 031	2.96	58 645	5.10

TABLE 3.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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
Top Management (Levels 15 -16)	10 784	0.94	0	0.00	0	0.00	74	0.01
Senior Management (Levels 13 - 14)	44 513	3.87	0	0.00	0	0.00	616	0.05
Professional Qualified (Levels 9 - 12)	241 576	21.01	1 218	0.11	3 774	0.33	8 625	0.75
Skilled (Levels 7 - 8)	277 159	24.11	2 999	0.26	14 299	1.24	22 094	1.92
Semi-skilled (Levels 4 - 6)	225 917	19.65	3 224	0.28	14 861	1.29	25 361	2.21
Unskilled (Levels 1 - 3)	13 204	1.15	32	0.00	1 097	0.10	1 875	0.16
TOTAL	813 153	70.73	7 473	0.65	34 031	2.96	58 645	5.10

EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies and includes the Compensation Fund and the Unemployment Insurance Fund.

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, and
- Critical occupations (see definition in notes below).

Departments have 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 3.5 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2019

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration (Ministry, Deputy Minister, DG and Corporate Services)	464	435	6.2%	18
Chief Operations Officer	6 846	6 357	7.1%	131
Public Employment Services	227	191	15.9%	0
Labour Policy and Industrial Relations	109	100	8.3%	0
Inspection and Enforcement Services	71	64	9.9%	0
Social Insurance	CF = 954 UIF = 602	CF = 748 UIF = 522	CF = 21.6% UIF = 13.3%	CF = 105 UIF = 65
TOTAL	9 273	8 417	9.2%	319

TABLE 3.6 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2019

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)	0	0	0%	196
Skilled (3-5)	1 241	1 088	12.3%	46
Highly skilled production (6-8)	6 572	6 038	8.1%	64
Highly skilled supervision (9-12)	1 305	1 155	11.5%	7
Senior management (13-16)	155	136	12.3%	6
TOTAL	9 273	8 417	9.2%	319

TABLE 3.7 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2019

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Inspectors	1 350	1 264	6.4%	0
Employment Service Practitioners and Counsellors	343	328	4.4%	0
Medical Practitioners	95	66	30.53%	0
TOTAL	1 788	1 658	7.3%	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - » 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
 - » 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
 - » Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature
 - » In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 3.8 SMS POST INFORMATION AS ON 31 MARCH 2019

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
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	10	10	100	0	0
Salary Level 14	42	37	88.1	5	11.9
Salary Level 13	160	140	87.5	20	12.5
TOTAL	213	188	88.3	25	11.7

TABLE 3.9 SMS POST INFORMATION AS ON 30 SEPTEMBER 2018

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
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	10	10	100	0	0
Salary Level 14	42	39	92.8	3	7.9
Salary Level 13	163	138	84.7	25	15.3
TOTAL	216	188	87.0	28	13.0

TABLE 3.10 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	2	2
Salary Level 13	13	1	5
TOTAL	14	3	7

TABLE 3.11 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 1 APRIL 2018 AND 31 MARCH 2019**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

The posts of Chief Director: Medical Benefits and Director: Declarations and Call Centre Services were advertised twice in the external media, however no suitable candidates were found therefore a decision was taken that the post must be advertised through the head hunting process of which the process is at advanced stages.

REASONS FOR VACANCIES NOT FILLED WITHIN TWELVE MONTHS

The Department did not receive enough pool in respond to the advertisements for the posts of Director: Public Employment Services (8 posts).

The Director: Orthotics and Prosthetics was re-advertised because no suitable candidate was found.

The post of Director: Customer Care is in the process of being re-advertised.

The post of Director: Declarations and Call Centre Services was re-advertised. Head hunting is in process.

TABLE 3.12 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019**REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS**

None.

REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTHS

- Unavailability of panel members
- Grievances

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 3.13 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	1 241	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	6 572	4	0.1	0	0	0	0
Highly skilled supervision (Levels 9-12)	1 305	39	3.0	42	3.2	0	0
Senior Management Service Band A	114	0	0	0	0	0	0
Senior Management Service Band B	32	1	3.1	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
TOTAL	9 273	44	0.5	42	0.4	0	0

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 3.14 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	6	0	2	0	8
Male	11	0	0	0	11
TOTAL	17	0	2	0	19
Employees with a disability	0				

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 3.15 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
Director	1	13	14	The incumbent was previously a Chief of Staff at the Ministry and was later transferred to the post of Director: ESSA Development Management.
ICT Project Manager	1	13	14	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 14. When the post was measured it was lower than the salary earned.
Director	1	11	14	The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 14. When the post was measured it was lower than the salary earned.
Business Analyst	2	11	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
DD: Solution and Application Development	1	11	12	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
DD: Data Centre Network and Security	1	11	12	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
ICT Project Manager	2	11	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Deputy Director	1	10	12	The official was absorbed in this posts due to lack of positions at the time of rationalisation involving people from TBVC states.
System Engineer	2	8	12	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Contract and Licence Controller	1	9	11	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
SAP Analyst	4	9	11	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
System Engineer	3	8	11	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Network Engineer	1	8	11	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Assistant Director	1	9	10	The official received an external offer from another Department and was counter offered by the Department.
System Engineer	2	5	10	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
System Security Engineering	1	8	10	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Field ICT Technicians	10	8	10	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Field ICT Technicians	15	8	9	The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Network Engineer	1	8	9	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Remote ICT Technician	1	8	9	The incumbent was transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the posts were measured it was lower than the salary earned.
Total number of employees whose salaries exceeded the level determined by job evaluation			52	
Percentage of total employed			0.6%	

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

TABLE 3.16 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

GENDER	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	8	0	0	4	12
Male	15	2	5	18	40
TOTAL	23	2	5	22	52
Employees with a disability	1	0	0	2	3

Total number of employees whose salaries exceeded the grades determine by job evaluation	52
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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.

TABLE 3.17 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-1 APRIL 2018	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels3-5)	1 074	162	35	3.3%
Highly skilled production (Levels 6-8)	5 860	343	226	3.9%
Highly skilled supervision (Levels 9-12)	1 031	151	57	5.5%
Senior Management Service Bands A	87	13	6	6.9%
Senior Management Service Bands B	27	5	2	7.4%
Senior Management Service Bands C	8	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	138	265	92	66.7%
TOTAL	8 226	939	418	5.1%

TABLE 3.18 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2018	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Inspectors	1 378	83	49	3.5%
Employment Service Practitioners and Counsellors	283	40	2	0.7%
Medical Practitioners	86	37	6	7.0%
TOTAL	1 747	160	57	3.3%

The table below identifies the major reasons why staff left the Department.

TABLE 3.19 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	36	8.6
Resignation	161	38.5
Expiry of contract	60	14.4
Dismissal – operational changes	0	0
Dismissal – misconduct	12	2.9
Dismissal – inefficiency	0	0
Discharged due to ill-health	8	1.9
Retirement	68	16.3
Transfer to other Public Service Departments	41	9.8
Other	32	7.6
TOTAL	418	100%
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF TOTAL EMPLOYMENT	9 273	4.5%

TABLE 3.20 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

OCCUPATION	EMPLOYEES 1 APRIL 2018	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	1378	56	4.1	0	0
Employment Service Practitioners and Counsellors	283	18	6.4	0	0
Medical Practitioners	86	0	0%	0	0
TOTAL	1 747	74	4.2	0	0

TABLE 3.21 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

SALARY BAND	EMPLOYEES 1 APRIL 2018	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)	0	0	0	0	0
Skilled (Levels 3-5)	1 074	20	1.9	0	0
Highly skilled production (Levels 6-8)	5 860	277	4.7	0	0
Highly skilled supervision (Levels 9-12)	1 031	73	7.1	0	0
Senior Management (Level 13-16)	123	4	3.2	0	0
TOTAL	8 088	374	4.6	0	0

EMPLOYMENT EQUITY

TABLE 3.22 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2019

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers (13 - 16)	59	3	6	4	53	2	3	6	136
Professionals (11 - 12)	226	14	11	19	211	18	2	24	525
Technicians and (associate professionals (7 -10)	1 281	99	46	88	1 347	132	45	240	3 278
Clerks (4 - 6)	1 674	186	53	59	1 886	243	51	123	4 275
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 (3)	79	10	2	2	97	12	0	1	203
TOTAL	3 319	312	118	172	3 594	407	101	394	8 417
Employees with disabilities	94	10	5	18	71	11	4	23	236

TABLE 3.23 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2019

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (15 – 16)	5	1	0	0	2	0	0	1	9
Senior Management (13 – 14)	54	2	6	5	48	2	3	5	125
Professionally qualified and experienced specialists and mid-management (10 – 12)	491	29	24	46	477	39	9	54	1 169
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6 – 9)	2 332	239	75	107	2 661	324	77	304	6 119
Semi-skilled and discretionary decision making (3 – 5)	437	41	13	14	406	42	12	30	995
Unskilled and defined decision making (1 – 2)	0	0	0	0	0	0	0	0	0
TOTAL	3 319	312	118	172	3 594	407	101	394	8 417

TABLE 3.24 RECRUITMENT FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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	7	0	1	0	8	0	2	0	18
Professionally qualified and experienced specialists and mid-management	67	2	1	4	73	2	1	1	151
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	48	4	0	0	68	5	2	1	128
Semi-skilled and discretionary decision making	180	10	1	2	136	15	0	4	348
Unskilled and defined decision making	11	2	2	0	14	0	0	0	29
TOTAL	313	18	5	6	299	22	5	6	674
Employees with disabilities	4	0	0	0	2	0	0	0	6

TABLE 3.25 PROMOTIONS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management	37	2	2	1	27	1	0	3	73
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	112	2	0	0	94	2	0	0	210
Semi-skilled and discretionary decision making	58	3	0	2	18	3	3	0	87
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	209	7	2	3	141	6	3	3	374
Employees with disabilities	2	0	0	0	1	1	0	0	4

TABLE 3.26 TERMINATIONS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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	2	4	0	0	0	8
Professionally qualified and experienced specialists and mid-management	26	2	1	0	21	2	0	5	57
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	60	5	2	5	29	5	1	20	127
Semi-skilled and discretionary decision making	49	5	1	6	45	8	0	7	121
Unskilled and defined decision making	4	0	0	1	7	0	0	1	13
TOTAL	141	12	4	14	106	15	1	33	326
Employees with Disabilities	3	0	0	0	2	0	0	2	7

TABLE 3.27 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOTAL	251	26	3	8	135	16	2	9	450

TABLE 3.28 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Legislators, senior officials and managers	2	0	0	0	1	0	0	2	5
Professionals	106	25	2	7	128	33	1	9	311
Technicians and associate professionals	291	29	6	4	369	25	7	28	759
Clerks	283	15	4	13	286	31	6	21	659
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	122	5	0	2	142	4	0	0	275
TOTAL	804	74	12	26	926	93	14	60	2 009
Employees with disabilities	11	2	0	1	12	1	0	1	28

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 3.29 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2018

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
Director-General/Head of Department	1	1	1	100
Salary Level 16	1	1	0	0
Salary Level 15	8	8	8	100
Salary Level 14	26	26	24	92.3
Salary Level 13	92	92	86	93.5
TOTAL	128	128	119	93.0

TABLE 3.30 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2018

REASONS
Sick leave/suspension.

TABLE 3.31 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2018

REASONS
Letters of intention to discipline were sent to non-complying SMS members.

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.

TABLE 3.32 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE
AFRICAN					
Male	622	3 749	16.59	23 050	37 058
Female	924	3 314	27.88	15 622	16 907
ASIAN					
Male	38	113	33.62	997	26 237
Female	36	97	37.11	897	24 917
COLOURED					
Male	64	304	21.05	1 464	22 875
Female	110	400	27.50	2 775	25 227
WHITE					
Male	37	155	23.87	1 158	31 297
Female	136	371	36.65	3 818	28 074
TOTAL*	1 967	8 503	23.13	49 781	25 308

TABLE 3.33 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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 (R'000)	AVERAGE COST PER EMPLOYEE	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	217	778	27.89	3 195	14 728	0.46
Highly skilled production (level 6-8)	1 507	5 445	27.67	35 019	23 237	0.07
Highly skilled supervision (level 9-12)	289	912	31.68	12 528	43 353	0.34
TOTAL*	2 013	7 135	28.21	50 744	25 208	0.87

TABLE 3.33.1 PERFORMANCE BONUS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

SALARY BAND	PERFORMANCE BONUS EXPENDITURE (R'000)	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	PERFORMANCE BONUS EXPENDITURE AS A % OF PERSONNEL EXPENDITURE	NUMBER OF EMPLOYEES
Top Management (Levels 15-16)	0	0	0.00	11
Senior Management (Levels 13 - 14)	32	1	0.00	60
Professional Qualified (Levels 9 - 12)	6 539	14	0.57	463
Skilled (Levels 7 - 8)	8 295	9	0.72	920
Semi-skilled (Levels 4 - 6)	4 858	4	0.42	1 184
Unskilled (Levels 1 - 3)	289	2	0.03	132
TOTAL	20 013	7	1.74	2 770

TABLE 3.33.2 PERFORMANCE BONUS BY PROGRAMME FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

PROGRAMME	PERFORMANCE BONUS EXPENDITURE (R'000)	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)	PERFORMANCE BONUS EXPENDITURE AS A % OF PERSONNEL EXPENDITURE	NUMBER OF EMPLOYEES
Administration	6 297	7	0.55	909
Inspection and Enforcement Services	6 014	5	0.52	1 109
Public Employment Services	6 281	11	0.55	560
Labour Policy and Industrial Relations	1 421	7	0.12	192
TOTAL	20 013	7	1.74	2 770

TABLE 3.34 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Inspectors	226	694	32.56	6 196	27 416
Career Counsellors	153	272	56.25	5 730	37 451
ESP2	177	601	29.45	7 638	43 152
ESP3	688	2 910	23.64	13 549	19 693
TOTAL	1 244	4 477	27.78	33 113	26 618

TABLE 3.35 PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

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 (R'000)	AVERAGE COST PER EMPLOYEE	
Band A	2	79	2.53	65	32	50.2
Band B	0	21	0	0	0	0
Band C	0	8	0	0	0	0
Band D	0	0	0	0	0	0
TOTAL	2	108	1.80	65	32	50.2

Foreign Workers

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

TABLE 3.36 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

SALARY BAND	01 APRIL 2018		31 MARCH 2019		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	1	50.0	1	50.0	0	0
Highly skilled supervision (Lev. 9-12)	1	50.0	1	50.0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
TOTAL	2	100	2	100	0	0

TABLE 3.37 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

MAJOR OCCUPATION	01 APRIL 2018		31 MARCH 2019		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Professional and managers	1	50.0	1	50.0	0	0
Technicians and associated professionals	1	50.0	1	50.0	0	0
TOTAL	2	100	2	100	0	0

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 3.38 SICK LEAVE FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

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)	0	0	0	0	0	0
Skilled (levels 3-5)	5 653	74.7	830	12.2	7	4 625
Highly skilled production (levels 6-8)	36 091	75.8	4 942	73.1	7	44 851
Highly skilled supervision (levels 9 -12)	5 944	77.2	891	13.2	7	14 911
Top and Senior management (levels 13-16)	595	83.4	100	1.5	6	2 443
TOTAL	48 283	76.0	6 763	100	7	66 830

TABLE 3.39 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

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)	0	0	0	0	0	0
Skilled (Levels 3-5)	1 323	100	48	13.6	28	1 087
Highly skilled production (Levels 6-8)	7 353	100	265	75.3	28	9 205
Highly skilled supervision (Levels 9-12)	737	100	35	9.9	21	1 897
Senior management (Levels 13-16)	203	100	4	1.2	51	808
TOTAL	9 616	100	352	100	27	12 997

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 3.40 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

SALARY BAND	TOTAL DAYS TAKEN	NUMBER OF EMPLOYEES USING ANNUAL LEAVE	AVERAGE PER EMPLOYEE
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	21 179	1 089	19
Highly skilled production (Levels 6-8)	144 924	6 190	23
Highly skilled supervision(Levels 9-12)	27 326	1 183	23
Senior management (Levels 13-16)	3 122	135	23
TOTAL	196 551	8 597	23

TABLE 3.41 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

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 MARCH 2019
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	25	7	4	34
Highly skilled production (Levels 6-8)	361	54	7	28
Highly skilled supervision(Levels 9-12)	28	8	4	34
Senior management (Levels 13-16)	3	1	3	29
TOTAL	417	70	6	29

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

TABLE 3.42 LEAVE PAYOUTS (ESTIMATED) FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Annual – Discounting with Resignation (Work Days)	2 403	124	19
Annual – Discounting: Unused Vacation Credits (Work Days)	170	10	17
Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days)	2 132	72	30
Capped – Gratuity: Death/Retirement/Medical Retirement (Work Days)	3 416	56	60
TOTAL	8 121	262	31

3.2 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 3.2.1 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"> • 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 • By implementing the prescripts of the Departmental HIV and AIDS, STIs and TB Management policy • Conducting regular health and wellness awareness • Conduct and promotion of on-site health screenings to enable employees to know their health status including HIV and TB • Provide counselling services for employees who are affected or infected by any type of disease as part of disease management and chronic illness support programme • Conducting medical surveillance to employees at risk in pursuit of mitigating against occupational diseases.

TABLE 3.2.2 DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES (TICK THE APPLICABLE BOXES AND PROVIDE THE REQUIRED INFORMATION)

QUESTION	YES	NO	DETAILS, IF YES
1. Has the Department designated a member of the SMS to implement the provisions contained in Part 3 of Chapter 4 of the Public Service Regulations, 2016? If so, provide her/his name and position.	X		Ms. M Matyila – CD: HRM Ms. PP Mthethwa – D: HRM (HQ) Ms. P Makhubu – D: HRM (CF) Ms. P Roux – D: HRM (UIF)
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		Wellness Sub-Directorates at HQ; UIF and CF which consists of the following: 3 x Deputy Director (1- HQ, 1- CF and 1- UIF) 4 x Assistant Directors (2 - HQ, 1- CF and 1 - UIF) 4 x Senior Personnel Practitioner (1-HQ, 1-CF and 2- UIF) The sub-directorates are supported by Wellness Champions who fulfils the role of peer educators in all Provinces. The Head Office budget for EHW for 2018/2019 was R4 833 000.00
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"> • Rendering psycho-social sessions on individual and or groups to employees experiencing performance impairing programmes. • A programme on Trauma Debriefing is rendered to employees at risk. • Wellness days were conducted to provide employees with an opportunity to test and know their health status including HIV. • Creating awareness by writing articles on health and wellness issues which are published on iDoL; and EHWP (Internal Newsletters) and circulated to employees through Exchange Post Master. • 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; TB Awareness; Leading a Healthy Lifestyles; Men's Health; and STIs awareness. • Promotion of physical activities through sports and recreation • Commemorating health and wellness days in line with the national health calendar of events.

QUESTION	YES	NO	DETAILS, IF YES																		
4. Has the Departments established (a) committee(s) as contemplated in Part 3, 55(6)(1) of Chapter 4 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<p>National Employment Equity Consultative Forum which consists of the following representatives from all the provincial offices of the Department is used as a committee that advices on the implementation of Health and Wellness Issues:</p> <table border="1"> <tr> <td>EE Manager Chairperson</td> <td>Ms. B. Matebesi Ms. M. Matyila (CD: HRM)</td> </tr> <tr> <td>Deputy Chairperson Director: HRM</td> <td>Mr. J. Mashaba Ms. P. Mthethwa</td> </tr> <tr> <td>Designated groups: Disabled Women Blacks</td> <td>Mr. J. Mokake Ms S Maharaj Mr. P. Masoga Mr. S. Cornelius</td> </tr> <tr> <td>Non-designated group: White Males</td> <td>None (Resigned)</td> </tr> <tr> <td>Representatives from the Chief Directorates: Finance Communication</td> <td>Ms. G. Mathibe Mr. M. Mosima</td> </tr> <tr> <td>Representatives from the Directorates: SCM AUX SERV HRD PMandCS EHWP and GDY ER OD SECURITY</td> <td>Mr. T. Lukoto Mr. V. Pienaar Mr. G. Mosima Ms. L. Dlamini Mr. R. Mkansi Ms. T. Roos Mr. S. Nkhabelane Ms M. Moitsi</td> </tr> <tr> <td>Chairperson/Delegate of each LEECF: Eastern Cape Free State Gauteng Head Office KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape CF UIF</td> <td>Ms. P. Mbongwana Mr. S. Segalo Mr. M. Nxumalo Ms. L. Nawana Ms. K. Selepe Mr. M. Magwasha Mr A Mnisi Mr. A. Makape Mr J. Zitha Ms. M. Zamile Mr. N. Khuzwayo Mr. T. Ngubane</td> </tr> <tr> <td>Representatives of Unions: NEHAWU PSA</td> <td>Mr. J. Mashaba Mr K. Moalosi</td> </tr> <tr> <td>Secretariat: Ms. L. Rudah Ms. I.S. Groenewald Ms. G. Maritz Ms. V.Y Mokoena</td> <td></td> </tr> </table>	EE Manager Chairperson	Ms. B. Matebesi Ms. M. Matyila (CD: HRM)	Deputy Chairperson Director: HRM	Mr. J. Mashaba Ms. P. Mthethwa	Designated groups: Disabled Women Blacks	Mr. J. Mokake Ms S Maharaj Mr. P. Masoga Mr. S. Cornelius	Non-designated group: White Males	None (Resigned)	Representatives from the Chief Directorates: Finance Communication	Ms. G. Mathibe Mr. M. Mosima	Representatives from the Directorates: SCM AUX SERV HRD PMandCS EHWP and GDY ER OD SECURITY	Mr. T. Lukoto Mr. V. Pienaar Mr. G. Mosima Ms. L. Dlamini Mr. R. Mkansi Ms. T. Roos Mr. S. Nkhabelane Ms M. Moitsi	Chairperson/Delegate of each LEECF: Eastern Cape Free State Gauteng Head Office KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape CF UIF	Ms. P. Mbongwana Mr. S. Segalo Mr. M. Nxumalo Ms. L. Nawana Ms. K. Selepe Mr. M. Magwasha Mr A Mnisi Mr. A. Makape Mr J. Zitha Ms. M. Zamile Mr. N. Khuzwayo Mr. T. Ngubane	Representatives of Unions: NEHAWU PSA	Mr. J. Mashaba Mr K. Moalosi	Secretariat: Ms. L. Rudah Ms. I.S. Groenewald Ms. G. Maritz Ms. V.Y Mokoena	
EE Manager Chairperson	Ms. B. Matebesi Ms. M. Matyila (CD: HRM)																				
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Non-designated group: White Males	None (Resigned)																				
Representatives from the Chief Directorates: Finance Communication	Ms. G. Mathibe Mr. M. Mosima																				
Representatives from the Directorates: SCM AUX SERV HRD PMandCS EHWP and GDY ER OD SECURITY	Mr. T. Lukoto Mr. V. Pienaar Mr. G. Mosima Ms. L. Dlamini Mr. R. Mkansi Ms. T. Roos Mr. S. Nkhabelane Ms M. Moitsi																				
Chairperson/Delegate of each LEECF: Eastern Cape Free State Gauteng Head Office KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape CF UIF	Ms. P. Mbongwana Mr. S. Segalo Mr. M. Nxumalo Ms. L. Nawana Ms. K. Selepe Mr. M. Magwasha Mr A Mnisi Mr. A. Makape Mr J. Zitha Ms. M. Zamile Mr. N. Khuzwayo Mr. T. Ngubane																				
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Secretariat: Ms. L. Rudah Ms. I.S. Groenewald Ms. G. Maritz Ms. V.Y Mokoena																					

QUESTION	YES	NO	DETAILS, IF YES
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.	X		The HIV and AIDS policy is currently being reviewed to align with the New National Strategic Plan 2017-2022.
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"> The current 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 provides protection of HIV positive employees against stigma and discrimination. Sessions are conducted to advocate for the rights of people with HIV and for reasonable accommodation; and support for people infected and affected by HIV. Regular HCT programme is conducted to de-stigmatise HIV testing.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		The Employee Health and Wellness Programme implements HCT programme through raising awareness on voluntary counselling and testing and also conducting on-site HCT through the use of GEMS and other service providers.
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		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.

3.3 LABOUR RELATIONS

TABLE 3.45 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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 3.46 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	11	5.7
Verbal warning	6	3.1
Written warning	64	33.2
Final written warning	34	17.6
Suspended without pay	2	1.0
Fine	0	0.0
Demotion	0	0.0
Dismissal	6	3.1
Not guilty	1	0.5
Case withdrawn	69	35.7
TOTAL	193	100
Total number of disciplinary hearings finalised		176

TABLE 3.47 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Insubordination	27	6.0
Abuse of leave	1	0.2
Fraud	12	2.7
Negligence	25	5.6
Absenteeism	22	4.9
Damage of state vehicle	94	20.9
Soliciting a bribe	9	2.0
Unbecoming behaviour	8	1.8
Managerial oversight	3	0.7
Misrepresentation	6	1.3
Contravening HR Policy	10	2.2
Sharing login credentials	2	0.4
Dereliction of duty	29	6.5
Misuse of state vehicle	13	2.9
No show	22	4.9
Remunerative Work Without Permission	3	0.7
Abscondment	4	0.9
Loss of state cell phone/laptop	18	4.0
Poor Performance	7	1.6
Sleeping on duty	1	0.2
Shortlisting of unqualifying candidate	3	0.7
Over speeding	3	0.7
Irregular expenditure	2	0.4
Irregular capturing	1	0.2
Theft	1	0.2
Interception of payments	2	0.4
Cash shortfall	2	0.4
Unpaid TV license	1	0.2
Damage to State Property	1	0.2
Insolence	2	0.4
Duplicate Receipt	3	0.7
Non-compliance with policy	109	24.2
Late coming	4	0.9
TOTAL	450	100

TABLE 3.3.5 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

GRIEVANCES	NUMBER	% OF TOTAL
Number of grievances resolved	161	70
Number of grievances not resolved	70	30
TOTAL NUMBER OF GRIEVANCES LODGED	231	100

TABLE 3.48 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

DISPUTES	NUMBER	% OF TOTAL
Number of disputes upheld	6	9
Number of disputes dismissed	24	37
Not yet finalised	35	54
TOTAL NUMBER OF DISPUTES LODGED	65	100

TABLE 3.49 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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 3.50 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

Number of people suspended	6
Number of people who's suspension exceeded 30 days	6
Average number of days suspended	65
Cost of suspension (R'000)	R 785 919.91

3.4 SKILLS DEVELOPMENT

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

TABLE 3.51 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2018	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	55	0	41	0	41
	Male	68	0	49	0	49
Professionals	Female	230	0	301	0	301
	Male	235	0	275	0	275
Technicians and associate professionals	Female	1 645	0	335	0	335
	Male	1 428	0	298	0	298
Clerks	Female	2 284	0	391	0	391
	Male	1 939	0	447	0	447
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	111	0	41	0	41
	Male	99	0	32	0	32
Sub-Total	Female	4 325	0	1 109	0	1 109
	Male	3 769	0	1 101	0	1 101
TOTAL		8 094	0	2 210	0	2 210

TABLE 3.52 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2018	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	55	0	3	0	3
	Male	68	0	2	0	2
Professionals	Female	230	0	171	0	171
	Male	235	0	140	0	140
Technicians and associate professionals	Female	1 645	0	429	0	429
	Male	1 428	0	330	0	330
Clerks	Female	2 284	0	344	0	344
	Male	1 939	0	315	0	315
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	111	0	146	0	146
	Male	99	0	129	0	129
Sub-Total	Female	4 325	0	1 093	0	1 093
	Male	3 769	0	916	0	916
TOTAL		8 094	0	2 009	0	2 009

3.5 INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 3.53 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	19	76
Temporary total disablement	4	16
Permanent disablement	1	4
Fatal	1	4
TOTAL	25	100

15.8 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 3.54 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	CONTRACT VALUE R'000
Maternity Leave Practical Experiences: Evaluating implementation and experiences of employees in accessing the benefit and knowledge of maternity leave rights (Ernst & Young Advisory Services Pty Ltd: DL-026902)	10	12 months	R3 355 374.54
Understanding global value chain activities: a source of competitive advantage and labour market implications in South Africa (Tri Dev Worx AFP Pty Ltd: DL - 026841)	5	12 months	R1 346 112.00
Alexander Forbes HRM Research	3	12 months	R 1 000 000.00
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE R'000
None			

TABLE 3.55 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Maternity Leave Practical Experiences: Evaluating implementation and experiences of employees in accessing the benefit and knowledge of maternity leave rights	34.70%	5	5
Understanding global value chain activities: a source of competitive advantage and labour market implications in South Africa	100%	100%	5

TABLE 3.56 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION (WORK DAYS)	DONOR AND CONTRACT VALUE IN RAND
None			
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
None			

TABLE 3.57 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
None			

3.6 SEVERANCE PACKAGES

TABLE 3.58 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

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)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL	0	0	0	0





PART E

FINANCIAL
INFORMATION



PART E: FINANCIAL INFORMATION

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Department of Labour set out on pages 147 to 231 which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Labour as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in note 19.1 to the financial statements, the corresponding figures of 31 March 2018 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2019.

UNDERSPENDING OF OF VOTE

8. As disclosed in the appropriation statement, the department materially underspent the budget by R196 176 000 on appropriation per programme.

OTHER MATTER

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

UNAUDITED SUPPLEMENTARY SCHEDULES

10. The supplementary information set out on pages 232 to 241 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

11. The board of directors, which constitutes the accounting officer is responsible for the preparation and fair presentation of the 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Labour's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

15. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2 - Inspection and Enforcement Services	63 - 69
Programme 3 - Public Employment Services	70 - 76
Programme 4 - Labour Policy and Industrial Relations	77 - 83

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

PROGRAMME 2 - INSPECTION AND ENFORCEMENT SERVICES

VARIOUS INDICATORS

20. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

INDICATOR DESCRIPTION	REPORTED ACHIEVEMENT	AUDITED VALUE
Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days	60%	30%
Percentage of reported incidents investigated and / or finalised within the prescribed time	76%	94%

21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 3: Public Employment Services
- Programme 4: Labour Policy and Industrial Relations.

OTHER MATTER

22. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

23. Refer to the annual performance report on pages 63 to 83 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20 to 21 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislations are as follows:

ANNUAL FINANCIAL STATEMENTS

26. 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. Material misstatements of employee benefits, prepayments expensed and irregular expenditure identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

CONSEQUENCE MANAGEMENT

27. Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

28. Disciplinary steps were not taken against some of the officials who had incurred and/or permitted fruitless and wasteful expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA.

EXPENDITURE MANAGEMENT

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R3 447 000, as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the non-adherence to procurement and contract management regulations.
30. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R4 450 000, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by damages to departmental vehicles.

OTHER INFORMATION

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the minister's report, the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
35. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
37. The accounting officer did not exercise effective oversight and sufficient monitoring review controls to ensure proper implementation of the overall process of monitoring of financial transactions reporting and predetermined objectives, compliance with legislation and related internal controls. This was mainly due to the slow implementation of the action plans.
38. The accounting officer did not effectively oversee information technology security management controls (including network controls).
39. The accounting officer did not prepare regular, accurate and complete financial statements and performance reports that are supported by reliable evidence and aligned to the financial and performance reporting framework. This resulted in misstatements in the annual financial statements on employee benefits, prepayments expensed and irregular expenditure awaiting condonation disclosures which were subsequently corrected and the misstatements in programme 2 of the annual performance report.

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Labour ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

		APPROPRIATION PER PROGRAMME									
		2018/19					2017/18				
Programme:		ADJUSTED	SHIFTING OF	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	FINAL	ACTUAL	
		APPROPRIATION	FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	APPROPRIATION	EXPENDITURE	
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1.	Administration	906 631	-	(25 100)	881 531	804 917	76 614	91.3%	860 734	768 677	
2.	Inspection and Enforcement Services	592 223	-	-	592 223	549 211	43 012	92.7%	545 115	520 165	
3.	Public Employment Services	580 574	-	25 100	605 674	542 817	62 857	89.6%	562 574	485 543	
4.	Labour Policy and Industrial Relations	1 203 442	-	-	1 203 442	1 189 746	13 696	98.9%	1 087 398	1 069 634	
	TOTAL	3 282 870	-	-	3 282 870	3 086 691	196 179	94.0%	3 055 821	2 844 019	
	TOTAL (brought forward)										
	Reconciliation with statement of financial performance										
	ADD Departmental receipts				10 781				16 805		
	Actual amounts per statement of financial performance (total revenue)				3 293 651				3 072 626		
	Actual amounts per statement of financial performance (total expenditure)					3 086 691				2 844 019	

APPROPRIATION PER ECONOMIC CLASSIFICATION											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Current payments	1 885 315	(3 529)	(25 100)	1 856 686	1 700 607	156 079	91.6%	1 762 559	1 571 384	1 571 384	
Compensation of employees	1 293 058	(21 406)	-	1 271 652	1 149 681	121 971	90.4%	1 171 319	1 059 512	1 059 512	
Salaries and wages	1 077 735	(14 865)	-	1 062 870	985 855	77 015	92.8%	987 342	907 849	907 849	
Social contributions	215 323	(6 541)	-	208 782	163 826	44 956	78.5%	183 977	151 663	151 663	
Goods and services	592 257	17 877	(25 100)	585 034	550 926	34 108	94.2%	591 240	511 872	511 872	
Administrative fees	5 776	1 689	-	7 465	7 102	363	95.1%	10 086	9 461	9 461	
Advertising	17 715	(2 769)	-	14 946	14 920	26	99.8%	16 158	14 431	14 431	
Minor assets	10 269	(549)	-	9 720	8 835	885	90.9%	14 075	13 406	13 406	
Audit costs: External	17 774	-	-	17 774	13 203	4 571	74.3%	20 318	16 867	16 867	
Bursaries: Employees	3 031	1 446	-	4 477	4 477	-	100.0%	2 603	2 310	2 310	
Catering: Departmental activities	5 573	880	-	6 453	6 363	90	98.6%	6 600	5 599	5 599	
Communication	21 831	3 996	-	25 827	24 933	894	96.5%	41 087	28 539	28 539	
Computer services	89 680	(22 401)	(6 000)	61 279	55 911	5 368	91.2%	68 783	54 583	54 583	
Consultants: Business and advisory services	11 710	(2 694)	-	9 016	8 863	153	98.3%	10 481	6 311	6 311	
Laboratory services	-	51	-	51	51	-	100.0%	84	-	-	
Legal services	4 630	11 431	-	16 061	16 061	-	100.0%	13 704	12 795	12 795	
Contractors	5 361	(131)	-	5 230	5 158	72	98.6%	4 111	2 751	2 751	
Agency and support / outsourced services	779	(521)	-	258	-	258	-	3 998	1	1	
Entertainment	330	117	-	447	419	28	93.7%	205	180	180	
Fleet services	26 465	4 616	-	31 081	30 222	859	97.2%	31 439	28 141	28 141	

		2018/19						2017/18	
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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	22	(22)	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	45	-
Consumable: Stationery, printing and office supplies	4 794	(1 696)	-	3 098	2 936	162	94.8%	3 311	2 560
Operating leases	20 512	(555)	-	19 957	19 086	871	95.6%	19 312	12 928
Property payments	149 386	(1 945)	(8 000)	139 441	132 457	6 984	95.0%	141 876	138 720
Transport provided: Departmental activity	69 428	4 812	(11 100)	63 140	52 307	10 833	82.8%	58 065	50 869
Travel and subsistence	1 100	(1 055)	-	45	45	-	100.0%	899	149
Training and development	81 125	29 513	-	110 638	110 301	337	99.7%	89 681	85 290
Operating payments	19 071	(163)	-	18 908	18 669	239	98.7%	9 671	7 090
Venues and facilities	10 979	(913)	-	10 066	9 612	454	95.5%	9 173	8 537
Rental and hiring	14 304	(6 736)	-	7 568	6 917	651	91.4%	14 287	9 728
Transfers and subsidies	612	1 476	-	2 088	2 078	10	99.5%	1 188	626
Provinces and municipalities	1 287 983	2 059	25 100	1 315 142	1 296 766	18 376	98.6%	1 184 049	1 179 632
Provinces	618	134	-	752	752	-	100.0%	630	620
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Municipalities	618	134	-	752	752	-	100.0%	630	620
Municipal bank accounts	618	134	-	752	752	-	100.0%	630	620
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 078 416	40	25 100	1 103 556	1 103 547	9	100.0%	979 937	979 936
Social security funds	16 108	-	-	16 108	16 100	8	100.0%	15 918	15 917
Departmental agencies and accounts	1 062 308	40	25 100	1 087 448	1 087 447	1	100.0%	964 019	964 019
Foreign governments and international organisations	25 218	-	-	25 218	20 278	4 940	80.4%	23 813	19 974
Non-profit institutions	181 212	-	-	181 212	167 877	13 335	92.6%	173 892	173 351
Households	2 519	1 885	-	4 404	4 312	92	97.9%	5 777	5 751
Social benefits	2 415	1 479	-	3 894	3 802	92	97.6%	5 386	5 361
Other transfers to households	104	406	-	510	510	-	100.0%	391	390
Payments for capital assets	109 572	61	-	109 633	87 909	21 724	80.2%	108 986	92 780
Buildings and other fixed structures	16 000	14	-	16 014	10 886	5 128	68.0%	14 000	2 404
Buildings	16 000	14	-	16 014	10 886	5 128	68.0%	14 000	2 404
Machinery and equipment	93 572	47	-	93 619	77 023	16 596	82.3%	82 842	78 232
Transport equipment	9 031	28 896	-	37 927	34 377	3 550	90.6%	13 021	13 021
Other machinery and equipment	84 541	(28 849)	-	55 692	42 646	13 046	76.6%	69 821	65 211
Software and other intangible assets	-	-	-	-	-	-	-	12 144	12 144
Payments for financial assets	-	1 409	-	1 409	1 409	-	100.0%	227	223
TOTAL	3 282 870	-	-	3 282 870	3 086 691	196 179	94.0%	3 055 821	2 844 019

PROGRAMME 1: ADMINISTRATION										
2018/19										2017/18
Sub programme	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	R'000
1. Ministry	37 432	3 631	-	41 063	41 063	-	100.0%	32 252	32 252	
2. Management	253 059	19 566	-	272 625	272 625	-	100.0%	256 560	256 415	
3. Corporate Services	291 785	(23 197)	(6 000)	262 588	225 192	37 396	85.8%	258 262	200 947	
4. Office of the Chief Financial Officer	121 708	-	-	121 708	103 703	18 005	85.2%	135 178	118 086	
5. Office Accommodation	202 647	-	(19 100)	183 547	162 334	21 213	88.4%	178 482	160 977	
TOTAL FOR SUB PROGRAMMES	906 631	-	(25 100)	881 531	804 917	76 614	91.3%	860 734	768 677	

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Current payments	834 401	(2 100)	(25 100)	807 201	751 151	56 050	93.1%	797 795	721 537
Compensation of employees	397 117	(5 481)	-	391 636	367 204	24 432	93.8%	362 547	343 137
Salaries and wages	336 063	(1 838)	-	334 225	315 431	18 794	94.4%	310 685	294 474
Social contributions	61 054	(3 643)	-	57 411	51 773	5 638	90.2%	51 862	48 663
Goods and services	437 284	3 381	(25 100)	415 565	383 947	31 618	92.4%	435 248	378 400
Administrative fees	3 652	365	-	4 017	3 658	359	91.1%	6 250	5 816
Advertising	10 607	(6 609)	-	3 998	3 972	26	99.3%	10 219	9 970
Minor assets	4 511	3 057	-	7 568	7 192	376	95.0%	11 952	11 702
Audit costs: External	17 774	-	-	17 774	13 203	4 571	74.3%	20 318	16 867
Bursaries: Employees	2 515	1 753	-	4 268	4 268	-	100.0%	1 997	1 997
Catering: Departmental activities	1 663	1 226	-	2 889	2 889	-	100.0%	2 675	2 574
Communication	14 755	(3 903)	-	10 852	10 438	414	96.2%	25 222	13 229
Computer services	88 735	(22 415)	(6 000)	60 320	54 952	5 368	91.1%	68 044	53 844
Consultants: Business and advisory services	6 975	(1 472)	-	5 503	5 350	153	97.2%	6 235	3 838
Laboratory services	-	1	-	1	1	-	100.0%	-	-
Legal services	3 690	12 328	-	16 018	16 018	-	100.0%	12 566	12 566
Contractors	2 571	(106)	-	2 465	2 465	-	100.0%	2 609	2 026
Agency and support / outsourced services	363	(105)	-	258	-	258	-	3 612	1
Entertainment	159	138	-	297	289	8	97.3%	92	76
Fleet services	10 704	7 435	-	18 139	17 455	684	96.2%	17 530	15 081

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	22	(22)	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	2 663	(423)	-	2 240	2 162	78	96.5%	1 902	1 899
Operating leases	8 102	1 734	-	9 836	9 331	505	94.9%	9 160	6 101
Property payments	143 645	902	(8 000)	136 547	129 684	6 863	95.0%	137 349	135 725
Transport provided: Departmental activity	63 632	(2 990)	(11 100)	49 542	38 714	10 828	78.1%	44 991	37 873
Travel and subsistence	-	3	-	3	3	-	100.0%	41	41
Training and development	31 138	11 226	-	42 364	42 364	-	100.0%	39 827	37 863
Operating payments	12 076	3 002	-	15 078	14 839	239	98.4%	5 852	3 690
Venues and facilities	3 842	144	-	3 986	3 547	439	89.0%	3 149	2 925
Rental and hiring	3 138	(2 099)	-	1 039	590	449	56.8%	3 217	2 257
Transfers and subsidies	352	211	-	563	563	-	100.0%	439	439
Provinces and municipalities	1 618	691	-	2 309	2 309	-	100.0%	2 786	2 777
Provinces	618	85	-	703	703	-	100.0%	615	606
Provincial Revenue Funds									
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Municipalities	618	85	-	703	703	-	100.0%	615	606
Municipal bank accounts	618	85	-	703	703	-	100.0%	615	606
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	40	-	40	40	-	100.0%	32	32
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	40	-	40	40	-	100.0%	32	32
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 000	566	-	1 566	1 566	-	100.0%	2 139	2 139
Social benefits	921	279	-	1 200	1 200	-	100.0%	1 763	1 763
Other transfers to households	79	287	-	366	366	-	100.0%	376	376
Payments for capital assets	70 612	-	-	70 612	50 048	20 564	70.9%	59 926	44 140
Buildings and other fixed structures	16 000	14	-	16 014	10 886	5 128	68.0%	14 000	2 404
Buildings	16 000	14	-	16 014	10 886	5 128	68.0%	14 000	2 404
Machinery and equipment	54 612	(14)	-	54 598	39 162	15 436	71.7%	33 782	29 592
Transport equipment	9 031	-	-	9 031	5 481	3 550	60.7%	13 021	13 021
Other machinery and equipment	45 581	(14)	-	45 567	33 681	11 886	73.9%	20 761	16 571
Software and other intangible assets	-	-	-	-	-	-	-	12 144	12 144
Payments for financial assets	-	1 409	-	1 409	1 409	-	100.0%	227	223
TOTAL	906 631	-	(25 100)	881 531	804 917	76 614	91.3%	860 734	768 677

1.1 MINISTRY											
2018/19											
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	2017/18	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	37 432	3 566	-	40 998	40 998	-	100.0%	32 191	32 191		32 191
Compensation of employees	23 981	(4 915)	-	19 066	19 066	-	100.0%	17 334	17 334		17 334
Goods and services	13 451	8 481	-	21 932	21 932	-	100.0%	14 857	14 857		14 857
Transfers and subsidies	-	-	-	-	-	-	-	-	-		-
Provinces and municipalities	-	-	-	-	-	-	-	-	-		-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		-
Non-profit institutions	-	-	-	-	-	-	-	-	-		-
Households	-	-	-	-	-	-	-	-	-		-
Payments for capital assets	-	65	-	65	65	-	100.0%	61	61		61
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		-
Machinery and equipment	-	65	-	65	65	-	100.0%	61	61		61
Software and other intangible assets	-	-	-	-	-	-	-	-	-		-
Payments for financial assets	-	-	-	-	-	-	-	-	-		-
TOTAL	37 432	3 631	-	41 063	41 063	-	100.0%	32 252	32 252		32 252

1.2 MANAGEMENT											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	250 333	19 239	-	269 572	269 572	-	100.0%	269 572	253 941	253 941	253 941
Compensation of employees	198 324	478	-	198 802	198 802	-	100.0%	198 802	187 764	187 764	187 764
Goods and services	52 009	18 761	-	70 770	70 770	-	100.0%	70 770	66 177	66 177	66 177
Transfers and subsidies	1 478	199	-	1 677	1 677	-	100.0%	1 677	1 647	1 647	1 647
Provinces and municipalities	556	85	-	641	641	-	100.0%	641	560	560	560
Departmental agencies and accounts	-	40	-	40	40	-	100.0%	40	32	32	32
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	922	74	-	996	996	-	100.0%	996	1 055	1 055	1 055
Payments for capital assets	1 248	128	-	1 376	1 376	-	100.0%	1 376	972	972	827
Buildings and other fixed structures	-	14	-	14	14	-	100.0%	14	23	23	23
Machinery and equipment	1 248	114	-	1 362	1 362	-	100.0%	1 362	949	949	804
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	253 059	19 566	-	272 625	272 625	-	100.0%	272 625	256 560	256 560	256 415

1.3 CORPORATE SERVICES										
ECONOMIC CLASSIFICATION	2018/19					2017/18				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Current payments	248 390	(23 036)	(6 000)	219 354	193 837	25 517	88.4%	238 767	185 193	
Compensation of employees	103 138	(584)	-	102 554	82 237	20 317	80.2%	92 760	76 456	
Goods and services	145 252	(22 452)	(6 000)	116 800	111 600	5 200	95.5%	146 007	108 737	
Transfers and subsidies	30	32	-	62	62	-	100.0%	434	434	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	30	32	-	62	62	-	100.0%	434	434	
Payments for capital assets	43 365	(193)	-	43 172	31 293	11 879	72.5%	19 061	15 320	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	43 365	(193)	-	43 172	31 293	11 879	72.5%	19 061	15 320	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	291 785	(23 197)	(6 000)	262 588	225 192	37 396	85.8%	258 262	200 947	

1.4 OFFICE OF THE CHIEF FINANCIAL OFFICER											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	111 599	(1 869)	-	109 730	95 282	14 448	86.8%	108 391	108 391	91 616	
Compensation of employees	71 674	(460)	-	71 214	67 099	4 115	94.2%	64 689	64 689	61 583	
Goods and services	39 925	(1 409)	-	38 516	28 183	10 333	73.2%	43 702	43 702	30 033	
Transfers and subsidies	110	460	-	570	570	-	100.0%	705	705	696	
Provinces and municipalities	62	-	-	62	62	-	100.0%	55	55	46	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	48	460	-	508	508	-	100.0%	650	650	650	
Payments for capital assets	9 999	-	-	9 999	6 442	3 557	64.4%	25 855	25 855	25 551	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	9 999	-	-	9 999	6 442	3 557	64.4%	13 711	13 711	13 407	
Software and other intangible assets	-	-	-	-	-	-	-	12 144	12 144	12 144	
Payments for financial assets	-	1 409	-	1 409	1 409	-	100.0%	227	227	223	
TOTAL	121 708	-	-	121 708	103 703	18 005	85.2%	135 178	135 178	118 086	

1.5 OFFICE ACCOMMODATION											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Current payments	186 647	-	(19 100)	167 547	151 462	16 085	90.4%	164 505	158 596	90.4%	164 505
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-
Goods and services	186 647	-	(19 100)	167 547	151 462	16 085	90.4%	164 505	158 596	90.4%	164 505
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	16 000	-	-	16 000	10 872	5 128	68.0%	13 977	2 381	68.0%	13 977
Buildings and other fixed structures	16 000	-	-	16 000	10 872	5 128	68.0%	13 977	2 381	68.0%	13 977
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	202 647	-	(19 100)	183 547	162 334	21 213	88.4%	178 482	160 977	88.4%	178 482

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES											
2018/19											2017/18
Sub programme	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
1. Management and Support Services: Inspection and Enforcement Services	5 744	1 209	-	6 953	6 873	80	98.8%	6 833	6 833	6 833	6 833
2. Occupational Health and Safety	32 962	(2 446)	-	30 516	27 759	2 757	91.0%	29 772	27 759	29 772	25 868
3. Registration: Inspection and Enforcement Services	67 320	(162)	-	67 158	62 510	4 648	93.1%	62 520	62 510	62 520	61 115
4. Compliance, Monitoring and Enforcement	471 240	1 286	-	472 526	438 975	33 551	92.9%	432 323	438 975	432 323	414 853
5. Training of Staff: Inspection and Enforcement Services	5 571	113	-	5 684	5 684	-	100.0%	5 387	5 684	5 387	4 971
6. Statutory and Advocacy Services	9 386	-	-	9 386	7 410	1 976	78.9%	8 280	7 410	8 280	6 525
TOTAL FOR SUB PROGRAMMES	592 223	-	-	592 223	549 211	43 012	92.7%	545 115	549 211	545 115	520 165

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Current payments	557 523	(651)	-	556 872	514 174	42 698	92.3%	495 544	470 596
Compensation of employees	485 577	(11 169)	-	474 408	432 430	41 978	91.2%	424 864	406 092
Salaries and wages	405 773	(11 156)	-	394 617	366 461	28 156	92.9%	356 400	344 332
Social contributions	79 804	(13)	-	79 791	65 969	13 822	82.7%	68 464	61 760
Goods and services	71 946	10 518	-	82 464	81 744	720	99.1%	70 680	64 504
Administrative fees	1 004	1 016	-	2 020	2 016	4	99.8%	1 807	1 807
Advertising	43	237	-	280	280	-	100.0%	264	254
Minor assets	4 230	(3 176)	-	1 054	1 054	-	100.0%	1 382	1 213
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	516	(335)	-	181	181	-	100.0%	567	274
Catering: Departmental activities	2 353	(1 187)	-	1 166	1 149	17	98.5%	2 265	1 623
Communication	3 155	6 169	-	9 324	9 324	-	100.0%	9 071	9 071
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	851	(345)	-	506	506	-	100.0%	277	247
Laboratory services	-	-	-	-	-	-	-	84	-
Legal services	430	(387)	-	43	43	-	100.0%	80	78
Contractors	1 360	(633)	-	727	655	72	90.1%	296	227
Agency and support / outsourced services	416	(416)	-	-	-	-	-	386	-
Entertainment	20	3	-	23	17	6	73.9%	11	11
Fleet services	8 163	2 264	-	10 427	10 379	48	99.5%	8 828	8 828

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	2 054	(1 482)	-	572	488	84	85.3%	636	347
Operating leases	3 738	(439)	-	3 299	3 042	257	92.2%	3 250	2 635
Property payments	1 290	(816)	-	474	474	-	100.0%	929	444
Transport provided: Departmental activity	2 018	4 278	-	6 296	6 291	5	99.9%	5 884	5 884
Travel and subsistence	1 100	(1 095)	-	5	5	-	100.0%	216	77
Training and development	27 036	11 518	-	38 554	38 554	-	100.0%	25 729	25 729
Operating payments	4 465	(2 177)	-	2 288	2 288	-	100.0%	2 294	1 878
Venues and facilities	3 270	(1 141)	-	2 129	2 114	15	99.3%	2 148	1 954
Rental and hiring	4 424	(1 520)	-	2 904	2 702	202	93.0%	4 261	1 908
Transfers and subsidies	10	182	-	192	182	10	94.8%	15	15
Provinces and municipalities	772	590	-	1 362	1 358	4	99.7%	1 762	1 760
Provinces	-	49	-	49	49	-	100.0%	6	6
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Municipalities	-	49	-	49	49	-	100.0%	6	6
Municipal bank accounts	-	49	-	49	49	-	100.0%	6	6
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	772	541	-	1 313	1 309	4	99.7%	1 756	1 754
Social benefits	747	442	-	1 189	1 185	4	99.7%	1 742	1 741
Other transfers to households	25	99	-	124	124	-	100.0%	14	13
Payments for capital assets	33 928	61	-	33 989	33 679	310	99.1%	47 809	47 809
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	33 928	61	-	33 989	33 679	310	99.1%	47 809	47 809
Transport equipment	-	28 896	-	28 896	28 896	-	100.0%	-	-
Other machinery and equipment	33 928	(28 835)	-	5 093	4 783	310	93.9%	47 809	47 809
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	592 223	-	-	592 223	549 211	43 012	92.7%	545 115	520 165

2.1 MANAGEMENT AND SUPPORT SERVICES: INSPECTION AND ENFORCEMENT SERVICES											
2018/19										2017/18	
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	R'000	
Current payments	5 540	1 289	-	6 829	6 829	-	100.0%	6 395	6 395	6 395	
Compensation of employees	4 491	(630)	-	3 861	3 861	-	100.0%	3 658	3 658	3 658	
Goods and services	1 049	1 919	-	2 968	2 968	-	100.0%	2 737	2 737	2 737	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	-	
Payments for capital assets	204	(80)	-	124	44	80	35.5%	438	438	438	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	204	(80)	-	124	44	80	35.5%	438	438	438	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	
TOTAL	5 744	1 209	-	6 953	6 873	80	98.8%	6 833	6 833	6 833	

2.2 OCCUPATIONAL HEALTH AND SAFETY											
2018/19											2017/18
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	R'000	R'000
Current payments	31 535	(1 289)	-	30 246	27 492	2 754	90.9%	29 658	25 754		
Compensation of employees	26 500	(1 819)	-	24 681	21 927	2 754	88.8%	24 539	20 635		
Goods and services	5 035	530	-	5 565	5 565	-	100.0%	5 119	5 119		
Transfers and subsidies	27	-	-	27	24	3	88.9%	7	7		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	27	-	-	27	24	3	88.9%	7	7		
Payments for capital assets	1 400	(1 157)	-	243	243	-	100.0%	107	107		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	1 400	(1 157)	-	243	243	-	100.0%	107	107		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	32 962	(2 446)	-	30 516	27 759	2 757	91.0%	29 772	25 868		

2.3 REGISTRATION: INSPECTION AND ENFORCEMENT SERVICES											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	67 161	(237)	-	66 924	62 276	4 648	93.1%	62 279	60 874		
Compensation of employees	63 761	(14)	-	63 747	59 515	4 232	93.4%	57 279	56 169		
Goods and services	3 400	(223)	-	3 177	2 761	416	86.9%	5 000	4 705		
Transfers and subsidies	159	14	-	173	173	-	100.0%	241	241		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	159	14	-	173	173	-	100.0%	241	241		
Payments for capital assets	-	61	-	61	61	-	100.0%	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-	61	-	61	61	-	100.0%	-	-		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	67 320	(162)	-	67 158	62 510	4 648	93.1%	62 520	61 115		

2.4 COMPLIANCE, MONITORING AND ENFORCEMENT											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Current payments	438 646	(527)	-	438 119	404 568	33 551	92.3%	383 555	366 086		383 555
Compensation of employees	384 480	(8 706)	-	375 774	342 223	33 551	91.1%	333 515	320 903		333 515
Goods and services	54 166	8 179	-	62 345	62 345	-	100.0%	50 040	45 183		50 040
Transfers and subsidies	585	576	-	1 161	1 161	-	100.0%	1 513	1 512		1 513
Provinces and municipalities	-	49	-	49	49	-	100.0%	6	6		6
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		-
Non-profit institutions	-	-	-	-	-	-	-	-	-		-
Households	585	527	-	1 112	1 112	-	100.0%	1 507	1 506		1 507
Payments for capital assets	32 009	1 237	-	33 246	33 246	-	100.0%	47 255	47 255		47 255
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		-
Machinery and equipment	32 009	1 237	-	33 246	33 246	-	100.0%	47 255	47 255		47 255
Software and other intangible assets	-	-	-	-	-	-	-	-	-		-
Payments for financial assets	-	-	-	-	-	-	-	-	-		-
TOTAL	471 240	1 286	-	472 526	438 975	33 551	92.9%	432 323	414 853		432 323

2.5 TRAINING OF STAFF: INSPECTION AND ENFORCEMENT SERVICES										
2018/19										
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	2017/18		
	R'000	R'000	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	FINAL	ACTUAL	
				R'000	R'000	R'000	%	APPROPRIATION	EXPENDITURE	
								R'000	R'000	
Current payments	5 571	113	-	5 684	5 684	-	100.0%	5 387	4 971	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	5 571	113	-	5 684	5 684	-	100.0%	5 387	4 971	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	5 571	113	-	5 684	5 684	-	100.0%	5 387	4 971	

2.6 STATUTORY AND ADVOCACY SERVICES											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	9 070	-	-	9 070	7 325	1 745	80.8%	8 270	8 270	6 516	
Compensation of employees	6 345	-	-	6 345	4 904	1 441	77.3%	5 873	5 873	4 727	
Goods and services	2 725	-	-	2 725	2 421	304	88.8%	2 397	2 397	1 789	
Transfers and subsidies	1	-	-	1	-	1	-	1	1	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	1	-	-	1	-	1	-	-	1	-	
Payments for capital assets	315	-	-	315	85	230	27.0%	9	9	9	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	315	-	-	315	85	230	27.0%	9	9	9	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	
TOTAL	9 386	-	-	9 386	7 410	1 976	78.9%	8 280	8 280	6 525	

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES											
2018/19											2017/18
Sub programme	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
1. Management and Support Services: Public Employment Services	50 986	(745)	-	50 241	48 058	2 183	95.7%	43 316	43 316	42 545	
2. Employer Services	112 724	117	-	112 841	89 458	23 383	79.3%	104 292	104 292	76 833	
3. Work Seeker Services	179 517	-	-	179 517	156 640	22 877	87.3%	177 336	177 336	130 559	
4. Designated Groups Special Services	13 460	-	-	13 460	10 125	3 335	75.2%	12 722	12 722	12 221	
5. Supported Employment Enterprises	153 269	(23)	-	153 246	142 175	11 071	92.8%	147 514	147 514	145 995	
6. Productivity South Africa	53 261	-	25 100	78 361	78 361	-	100.0%	60 064	60 064	60 064	
7. Unemployment Insurance Fund	1	-	-	1	-	1	-	1	1	-	
8. Compensation Fund	16 107	23	-	16 130	16 123	7	100.0%	15 917	15 917	15 917	
9. Training of Staff: Public Employment Services	1 249	628	-	1 877	1 877	-	100.0%	1 412	1 412	1 409	
TOTAL FOR SUB PROGRAMMES	580 574	-	25 100	605 674	542 817	62 857	89.6%	562 574	562 574	485 543	

ECONOMIC CLASSIFICATION	2018/19					2017/18				
	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	
Current payments	345 956	(301)	-	345 655	296 994	48 661	85.9%	330 497	253 968	
Compensation of employees	306 867	(4 196)	-	302 671	255 780	46 891	84.5%	290 490	220 393	
Salaries and wages	245 972	(1 326)	-	244 646	221 854	22 792	90.7%	238 664	190 659	
Social contributions	60 895	(2 870)	-	58 025	33 926	24 099	58.5%	51 826	29 734	
Goods and services	39 089	3 895	-	42 984	41 214	1 770	95.9%	40 007	33 575	
Administrative fees	805	(124)	-	681	681	-	100.0%	841	692	
Advertising	1 349	492	-	1 841	1 841	-	100.0%	713	676	
Minor assets	1 264	(213)	-	1 051	542	509	51.6%	545	311	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Bursaries: Employees	-	28	-	28	28	-	100.0%	39	39	
Catering: Departmental activities	1 155	781	-	1 936	1 863	73	96.2%	1 127	1 113	
Communication	2 820	1 816	-	4 636	4 156	480	89.6%	4 490	4 088	
Computer services	-	60	-	60	60	-	100.0%	45	45	
Consultants: Business and advisory services	9	186	-	195	195	-	100.0%	108	108	
Laboratory services	-	-	-	-	-	-	-	-	-	
Legal services	-	-	-	-	-	-	-	-	-	
Contractors	510	326	-	836	836	-	100.0%	1 000	298	
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	
Entertainment	100	2	-	102	88	14	86.3%	20	14	
Fleet services	7 394	(5 058)	-	2 336	2 209	127	94.6%	4 820	4 023	

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	45	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	33	224	-	257	257	-	100.0%	710	289
Operating leases	3 671	(1 006)	-	2 665	2 556	109	95.6%	2 436	1 246
Property payments	2 202	(1 725)	-	477	356	121	74.6%	1 268	416
Transport provided: Departmental activity	2 894	3 505	-	6 399	6 399	-	100.0%	5 922	5 922
Travel and subsistence	-	5	-	5	5	-	100.0%	642	31
Training and development	10 403	3 677	-	14 080	13 743	337	97.6%	10 991	10 822
Operating payments	1 249	(18)	-	1 231	1 231	-	100.0%	1 103	1 100
Venues and facilities	1 999	329	-	2 328	2 328	-	100.0%	1 523	1 467
Rental and hiring	1 232	49	-	1 281	1 281	-	100.0%	1 106	874
Transfers and subsidies	-	559	-	559	559	-	100.0%	513	1
Provinces and municipalities	229 755	301	25 100	255 156	241 808	13 348	94.8%	231 347	230 845
Provinces	-	-	-	-	-	-	-	8	8
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2018/19					2017/18			
	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
Municipalities	-	-	-	-	-	-	-	8	8
Municipal bank accounts	-	-	-	-	-	-	-	8	8
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	69 369	-	25 100	94 469	94 461	8	100.0%	75 982	75 981
Social security funds	16 108	-	-	16 108	16 100	8	100.0%	15 918	15 917
Departmental agencies	53 261	-	25 100	78 361	78 361	-	100.0%	60 064	60 064
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	160 239	-	-	160 239	146 904	13 335	91.7%	154 029	153 528
Households	147	301	-	448	443	5	98.9%	1 328	1 328
Social benefits	147	301	-	448	443	5	98.9%	1 327	1 327
Other transfers to households	-	-	-	-	-	-	-	1	1
Payments for capital assets	4 863	-	-	4 863	4 015	848	82.6%	730	730
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 863	-	-	4 863	4 015	848	82.6%	730	730
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 863	-	-	4 863	4 015	848	82.6%	730	730
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	580 574	-	25 100	605 674	542 817	62 857	89.6%	562 574	485 543

3.1 MANAGEMENT AND SUPPORT SERVICES: PUBLIC EMPLOYMENT SERVICES											
2018/19											2017/18
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	R'000	R'000
Current payments	47 233	(736)	-	46 497	44 672	1 825	96.1%	42 749	41 978		
Compensation of employees	38 341	(108)	-	38 233	37 625	608	98.4%	34 733	34 733		
Goods and services	8 892	(628)	-	8 264	7 047	1 217	85.3%	8 016	7 245		
Transfers and subsidies	-	108	-	108	108	-	100.0%	-	-		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	-	108	-	108	108	-	100.0%	-	-		
Payments for capital assets	3 753	(117)	-	3 636	3 278	358	90.2%	567	567		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	3 753	(117)	-	3 636	3 278	358	90.2%	567	567		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	50 986	(745)	-	50 241	48 058	2 183	95.7%	43 316	42 545		

3.2 EMPLOYER SERVICES											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	112 709	(160)	-	112 549	89 166	23 383	79.2%	103 308	75 849	103 308	75 849
Compensation of employees	97 325	(3 487)	-	93 838	70 455	23 383	75.1%	85 770	60 942	85 770	60 942
Goods and services	15 384	3 327	-	18 711	18 711	-	100.0%	17 538	14 907	17 538	14 907
Transfers and subsidies	-	160	-	160	160	-	100.0%	929	929	929	929
Provinces and municipalities	-	-	-	-	-	-	-	8	8	8	8
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	160	-	160	160	-	100.0%	921	921	921	921
Payments for capital assets	15	117	-	132	132	-	100.0%	55	55	55	55
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	15	117	-	132	132	-	100.0%	55	55	55	55
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	112 724	117	-	112 841	89 458	23 383	79.3%	104 292	76 833	104 292	76 833

3.3 WORK SEEKER SERVICES											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000		
Current payments	178 275	-	-	178 275	155 893	22 382	87.4%	176 838	130 061		
Compensation of employees	165 771	(568)	-	165 203	142 821	22 382	86.5%	164 817	120 610		
Goods and services	12 504	568	-	13 072	13 072	-	100.0%	12 021	9 451		
Transfers and subsidies	147	-	-	147	142	5	96.6%	407	407		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	147	-	-	147	142	5	96.6%	407	407		
Payments for capital assets	1 095	-	-	1 095	605	490	55.3%	91	91		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	1 095	-	-	1 095	605	490	55.3%	91	91		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	179 517	-	-	179 517	156 640	22 877	87.3%	177 336	130 559		

3.4 DESIGNATED GROUPS SPECIAL SERVICES										
ECONOMIC CLASSIFICATION	2018/19					2017/18				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Current payments	-	-	-	-	-	-	-	-	-	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	13 460	-	-	13 460	10 125	3 335	75.2%	12 722	12 221	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	13 460	-	-	13 460	10 125	3 335	75.2%	12 722	12 221	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	13 460	-	-	13 460	10 125	3 335	75.2%	12 722	12 221	

3.5 SUPPORTED EMPLOYMENT ENTERPRISES										
ECONOMIC CLASSIFICATION	2018/19					2017/18				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Current payments	6 490	(56)	-	6 434	5 363	1 071	83.4%	6 190	4 671	
Compensation of employees	5 430	(33)	-	5 397	4 879	518	90.4%	5 170	4 108	
Goods and services	1 060	(23)	-	1 037	484	553	46.7%	1 020	563	
Transfers and subsidies	146 779	33	-	146 812	136 812	10 000	93.2%	141 307	141 307	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	146 779	-	-	146 779	136 779	10 000	93.2%	141 307	141 307	
Households	-	33	-	33	33	-	100.0%	-	-	
Payments for capital assets	-	-	-	-	-	-	-	17	17	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	17	17	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	153 269	(23)	-	153 246	142 175	11 071	92.8%	147 514	145 995	

3.6 PRODUCTIVITY SOUTH AFRICA											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	53 261	-	25 100	78 361	78 361	-	100.0%	60 064	60 064	60 064	60 064
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	53 261	-	25 100	78 361	78 361	-	100.0%	60 064	60 064	60 064	60 064
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	53 261	-	25 100	78 361	78 361	-	100.0%	60 064	60 064	60 064	60 064

3.7 UNEMPLOYMENT INSURANCE FUND											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Current payments	-	-	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	-	1	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	-	1	-	1	-	-	1	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1	-	-	1	-	1	-	-	1	-	-

3.8 COMPENSATION FUND											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	EXPENDITURE AS % OFFINAL APPROPRIATION	FINAL	ACTUAL	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OFFINAL APPROPRIATION		APPROPRIATION	EXPENDITURE	
Current payments	-	23	-	23	23	-	100.0%	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-
Goods and services	-	23	-	23	23	-	100.0%	-	-	-	-
Transfers and subsidies	16 107	-	-	16 107	16 100	7	100.0%	15 917	15 917	15 917	15 917
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	16 107	-	-	16 107	16 100	7	100.0%	15 917	15 917	15 917	15 917
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	16 107	23	-	16 130	16 123	7	100.0%	15 917	15 917	15 917	15 917

3.9 TRAINING OF STAFF: PUBLIC EMPLOYMENT SERVICES										
ECONOMIC CLASSIFICATION	2018/19					2017/18				
	ADJUSTED APPROPRIATION R'000	SHIFTING OF FUNDS R'000	VIREMENT R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	EXPENDITURE AS % OF FINAL APPROPRIATION %	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	
Current payments	1 249	628	-	1 877	1 877	-	100.0%	1 412	1 409	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	1 249	628	-	1 877	1 877	-	100.0%	1 412	1 409	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	1 249	628	-	1 877	1 877	-	100.0%	1 412	1 409	

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	EXPENDITURE	FINAL	ACTUAL	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	APPROPRIATION	APPROPRIATION	EXPENDITURE	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Sub programme											
1. Management and Support Services: Labour Policy and Industrial Relations	16 107	6 738	-	22 845	22 845	-	100.0%	-	15 640	14 848	
2. Strengthen Civil Society	20 973	-	-	20 973	20 973	-	100.0%	-	19 823	19 823	
3. Collective Bargaining	15 482	2	-	15 484	15 066	418	97.3%	418	15 769	14 211	
4. Employment Equity	13 820	(1 450)	-	12 370	12 370	-	100.0%	-	16 458	12 562	
5. Employment Standard	23 919	(4 878)	-	19 041	11 704	7 337	61.5%	7 337	15 810	12 143	
6. Commission for Conciliation, Mediation and Arbitration	963 066	-	-	963 066	963 066	-	100.0%	-	864 090	864 090	
7. Research, Policy and Planning	8 979	(927)	-	8 052	8 052	-	100.0%	-	8 577	6 416	
8. Labour Market Information and Statistic	44 684	(625)	-	44 059	43 061	998	97.7%	998	43 166	43 089	
9. International Labour Matters	50 431	1 140	-	51 571	46 629	4 942	90.4%	4 942	48 232	42 619	
10. National Economic Development and Labour Council	45 981	-	-	45 981	45 980	1	100.0%	1	39 833	39 833	
TOTAL FOR SUBPROGRAMMES	1 203 442	-	-	1 203 442	1 189 746	13 696	98.9%	13 696	1 087 398	1 069 634	

ECONOMIC CLASSIFICATION	2018/19						2017/18		
	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
Current payments	147 435	(477)	-	146 958	138 288	8 670	94.1%	138 723	125 283
Compensation of employees	1 03 497	(560)	-	1 02 937	94 267	8 670	91.6%	93 418	89 890
Salaries and wages	89 927	(545)	-	89 382	82 109	7 273	91.9%	81 593	78 384
Social contributions	13 570	(15)	-	13 555	12 158	1 397	89.7%	11 825	11 506
Goods and services	43 938	83	-	44 021	44 021	-	100.0%	45 305	35 393
Administrative fees	315	432	-	747	747	-	100.0%	1 188	1 146
Advertising	5 716	3 111	-	8 827	8 827	-	100.0%	4 962	3 531
Minor assets	264	(217)	-	47	47	-	100.0%	196	180
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	402	60	-	462	462	-	100.0%	533	289
Communication	1 101	(86)	-	1 015	1 015	-	100.0%	2 304	2 151
Computer services	945	(46)	-	899	899	-	100.0%	694	694
Consultants: Business and advisory services	3 875	(1 063)	-	2 812	2 812	-	100.0%	3 861	2 118
Laboratory services	-	50	-	50	50	-	100.0%	-	-
Legal services	510	(510)	-	-	-	-	-	1 058	151
Contractors	920	282	-	1 202	1 202	-	100.0%	206	200
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	51	(26)	-	25	25	-	100.0%	82	79
Fleet services	204	(25)	-	179	179	-	100.0%	261	209

		2018/19						2017/18	
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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	44	(15)	-	29	29	-	100.0%	63	25
Operating leases	5 001	(844)	-	4 157	4 157	-	100.0%	4 466	2 946
Property payments	2 249	(306)	-	1 943	1 943	-	100.0%	2 330	2 135
Transport provided: Departmental activity	884	19	-	903	903	-	100.0%	1 268	1 190
Travel and subsistence	-	32	-	32	32	-	100.0%	-	-
Training and development	12 548	3 092	-	15 640	15 640	-	100.0%	13 134	10 876
Operating payments	1 281	(970)	-	311	311	-	100.0%	422	422
Venues and facilities	1 868	(245)	-	1 623	1 623	-	100.0%	2 353	2 191
Rental and hiring	5 510	(3 166)	-	2 344	2 344	-	100.0%	5 703	4 689
Transfers and subsidies	250	524	-	774	774	-	100.0%	221	171
Provinces and municipalities	1 055 838	477	-	1 056 315	1 051 291	5 024	99.5%	948 154	944 250
Provinces	-	-	-	-	-	-	-	1	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

ECONOMIC CLASSIFICATION	2018/19							2017/18		
	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	R'000
Municipalities	-	-	-	-	-	-	-	-	1	-
Municipal bank accounts	-	-	-	-	-	-	-	-	1	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 009 047	-	-	1 009 047	1 009 046	1	100.0%	903 923	903 923	903 923
Social security funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies	1 009 047	-	-	1 009 047	1 009 046	1	100.0%	903 923	903 923	903 923
Foreign governments and international organisations	25 218	-	-	25 218	20 278	4 940	80.4%	23 813	19 974	19 974
Non-profit institutions	20 973	-	-	20 973	20 973	-	100.0%	19 863	19 823	19 823
Households	600	477	-	1 077	994	83	92.3%	554	530	530
Social benefits	600	457	-	1 057	974	83	92.1%	554	530	530
Other transfers to households	-	20	-	20	20	-	100.0%	-	-	-
Payments for capital assets	169	-	-	169	167	2	98.8%	521	101	101
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	169	-	-	169	167	2	98.8%	521	101	101
Transport equipment	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	169	-	-	169	167	2	98.8%	521	101	101
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
TOTAL	1 203 442	-	-	1 203 442	1 189 746	13 696	98.9%	1 087 398	1 069 634	1 069 634

4.1 MANAGEMENT AND SUPPORT SERVICES: LABOUR POLICY AND INDUSTRIAL RELATIONS											
2018/19											2017/18
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	R'000	R'000
Current payments	16 107	6 729	-	22 836	22 836	-	100.0%	15 633	14 841		
Compensation of employees	12 375	253	-	12 628	12 628	-	100.0%	11 977	11 351		
Goods and services	3 732	6 476	-	10 208	10 208	-	100.0%	3 656	3 490		
Transfers and subsidies	-	-	-	-	-	-	-	-	-		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	-	9	-	9	9	-	100.0%	7	7		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-	9	-	9	9	-	100.0%	7	7		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	16 107	6 738	-	22 845	22 845	-	100.0%	15 640	14 848		

4.2 STRENGTHEN CIVIL SOCIETY											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	FINAL	ACTUAL	EXPENDITURE	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	APPROPRIATION	EXPENDITURE	APPROPRIATION	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20 973	-	-	20 973	20 973	-	100.0%	19 823	19 823	19 823	19 823
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	20 973	-	-	20 973	20 973	-	100.0%	19 823	19 823	19 823	19 823
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	20 973	-	-	20 973	20 973	-	100.0%	19 823	19 823	19 823	19 823

4.3 COLLECTIVE BARGAINING											
ECONOMIC CLASSIFICATION	2018/19						2017/18				
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	FINAL EXPENDITURE	ACTUAL EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	15 322	-	-	15 322	14 987	335	97.8%	15 095	13 846		
Compensation of employees	12 957	(333)	-	12 624	12 289	335	97.3%	12 798	11 791		
Goods and services	2 365	333	-	2 698	2 698	-	100.0%	2 297	2 055		
Transfers and subsidies	160	-	-	160	77	83	48.1%	385	363		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	160	-	-	160	77	83	48.1%	385	363		
Payments for capital assets	-	2	-	2	2	-	100.0%	289	2		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-	2	-	2	2	-	100.0%	289	2		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	15 482	2	-	15 484	15 066	418	97.3%	15 769	14 211		

4.4 EMPLOYMENT EQUITY											
2018/19						2017/18					
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	13 820	(1 452)	-	12 368	12 368	-	100.0%	12 368	12 368	16 437	12 543
Compensation of employees	8 215	197	-	8 412	8 412	-	100.0%	8 412	8 412	7 879	7 726
Goods and services	5 605	(1 649)	-	3 956	3 956	-	100.0%	3 956	3 956	8 558	4 817
Transfers and subsidies	-	-	-	-	-	-	-	-	-	8	6
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	8	6
Payments for capital assets	-	2	-	2	2	-	100.0%	2	2	13	13
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	2	-	2	2	-	100.0%	2	2	13	13
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	13 820	(1 450)	-	12 370	12 370	-	100.0%	12 370	12 370	16 458	12 562

4.5 EMPLOYMENT STANDARDS											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL	ACTUAL	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL APPROPRIATION		APPROPRIATION	EXPENDITURE	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	23 789	(5 182)	-	18 607	11 270	7 337	60.6%	15 768	12 141		
Compensation of employees	14 593	(553)	-	14 040	6 703	7 337	47.7%	8 879	7 478		
Goods and services	9 196	(4 629)	-	4 567	4 567	-	100.0%	6 889	4 663		
Transfers and subsidies	130	300	-	430	430	-	100.0%	40	-		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-	-	40		
Households	130	300	-	430	430	-	100.0%	-	-		
Payments for capital assets	-	4	-	4	4	-	100.0%	2	2		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-	4	-	4	4	-	100.0%	-	2		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-		
TOTAL	23 919	(4 878)	-	19 041	11 704	7 337	61.5%	15 810	12 143		

4.6 COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	2017/18			
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	FINAL	ACTUAL		
	R'000	R'000	R'000	R'000	R'000	R'000	APPROPRIATION	APPROPRIATION	EXPENDITURE	EXPENDITURE	
							%	R'000	R'000	R'000	
Current payments	-	-	-	-	-	-	-	-	-	-	
Compensation of employees	-	-	-	-	-	-	-	-	-	-	
Goods and services	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	963 066	-	-	963 066	963 066	-	100.0%	864 090	864 090	864 090	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	963 066	-	-	963 066	963 066	-	100.0%	864 090	864 090	864 090	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	
TOTAL	963 066	-	-	963 066	963 066	-	100.0%	864 090	864 090	864 090	

4.7 RESEARCH, POLICY AND PLANNING											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL	ACTUAL	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	APPROPRIATION		APPROPRIATION	EXPENDITURE	
Current payments	8 979	(927)	-	8 052	8 052	-	100.0%		8 562	6 403	
Compensation of employees	5 055	98	-	5 153	5 153	-	100.0%		4 642	4 301	
Goods and services	3 924	(1 025)	-	2 899	2 899	-	100.0%		3 920	2 102	
Transfers and subsidies	-	-	-	-	-	-	-		-	-	
Provinces and municipalities	-	-	-	-	-	-	-		-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-		-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-		-	-	
Non-profit institutions	-	-	-	-	-	-	-		-	-	
Households	-	-	-	-	-	-	-		-	-	
Payments for capital assets	-	-	-	-	-	-	-		15	13	
Buildings and other fixed structures	-	-	-	-	-	-	-		-	-	
Machinery and equipment	-	-	-	-	-	-	-		15	13	
Software and other intangible assets	-	-	-	-	-	-	-		-	-	
Payments for financial assets	-	-	-	-	-	-	-		-	-	
TOTAL	8 979	(927)	-	8 052	8 052	-	100.0%		8 577	6 416	

4.8 LABOUR MARKET INFORMATION AND STATISTICS											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Current payments	44 240	(800)	-	43 440	42 442	998	97.7%	42 869	42 869	97.7%	42 869
Compensation of employees	37 575	(322)	-	37 253	36 255	998	97.3%	35 012	35 012	97.3%	35 012
Goods and services	6 665	(478)	-	6 187	6 187	-	100.0%	7 857	7 857	100.0%	7 857
Transfers and subsidies	310	177	-	487	487	-	100.0%	162	161	100.0%	161
Provinces and municipalities	-	-	-	-	-	-	-	1	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	310	177	-	487	487	-	100.0%	161	161	100.0%	161
Payments for capital assets	134	(2)	-	132	132	-	100.0%	135	59	100.0%	59
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	134	(2)	-	132	132	-	100.0%	135	59	100.0%	59
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	44 684	(625)	-	44 059	43 061	998	97.7%	43 166	43 089	97.7%	43 089

4.9 INTERNATIONAL LABOUR MATTERS											
2018/19											2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE			FINAL	ACTUAL
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	APPROPRIATION	APPROPRIATION	R'000	EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	25 178	1 155	-	26 333	26 333	-	100.0%	-	24 359	22 640	
Compensation of employees	12 727	100	-	12 827	12 827	-	100.0%	-	12 231	12 231	
Goods and services	12 451	1 055	-	13 506	13 506	-	100.0%	-	12 128	10 409	
Transfers and subsidies	25 218	-	-	25 218	20 278	4 940	80.4%	4 940	23 813	19 974	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	25 218	-	-	25 218	20 278	4 940	80.4%	4 940	23 813	19 974	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	-	
Payments for capital assets	35	(15)	-	20	18	2	90.0%	2	60	5	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	35	(15)	-	20	18	2	90.0%	2	60	5	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	
TOTAL	50 431	1 140	-	51 571	46 629	4 942	90.4%	4 942	48 232	42 619	

4.10 NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL										
2018/19										2017/18
ECONOMIC CLASSIFICATION	ADJUSTED	SHIFTING	VIREMENT	FINAL	ACTUAL	VARIANCE	EXPENDITURE	FINAL	ACTUAL	
	APPROPRIATION	OF FUNDS	R'000	APPROPRIATION	EXPENDITURE	R'000	AS % OF FINAL	APPROPRIATION	EXPENDITURE	EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	45 981	-	-	45 981	45 980	1	100.0%	39 833	39 833	39 833
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	45 981	-	-	45 981	45 980	1	100.0%	39 833	39 833	39 833
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
TOTAL	45 981	-	-	45 981	45 980	1	100.0%	39 833	39 833	39 833

2.2 NOTE TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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
ADMINISTRATION	R'000	R'000	R'000	%
Current payments	807 201	751 151	56 050	6.9%
Transfers and subsidies	2 309	2 309	-	0.0%
Payment for capital assets	70 612	50 048	20 564	29.1%
Payment for financial assets	1 409	1 409	-	0.0%
TOTAL	881 531	804 917	76 614	8.7%

The variances are mainly attributed to:

Compensation of Employees: Internal promotions and vacant posts that were not filled during the financial year.

Transfers and Subsidies: Payments for service termination benefits.

Payments for Capital Assets: Delay in receiving ICT equipment.

Payments for Financial Assets: Bad debts written off.

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
INSPECTION AND ENFORCEMENT SERVICES	R'000	R'000	R'000	%
Current payments	556 872	514 174	42 698	7.7%
Transfers and subsidies	1 362	1 358	4	0.3%
Payment for capital assets	33 989	33 679	310	0.9%
TOTAL	592 223	549 211	43 012	7.3%

The variances are mainly attributed to:

Compensation of Employees: Internal promotions and vacant posts that were not filled during the financial year.

Transfers and Subsidies: Payments for service termination benefits.

Payments for Capital Assets: Delay in receiving ICT equipment for inspectors.

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
PUBLIC EMPLOYMENT SERVICES	R'000	R'000	R'000	%
Current payments	345 655	296 994	48 661	14.1%
Transfers and subsidies	255 156	241 808	13 348	5.2%
Payment for capital assets	4 863	4 015	848	17.4%
TOTAL	605 674	542 817	62 857	10.4%

The variances are mainly attributed to:

Compensation of Employees: Internal promotions and vacant posts that were not filled during the financial year.

Transfers and Subsidies: Challenges experienced in signing of Service Level Agreements delaying expenditure.

Payments for Capital Assets: Delay in procuring of ICT equipment for the Provincial Offices.

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
LABOUR POLICY AND INDUSTRIAL RELATIONS	R'000	R'000	R'000	%
Current payments	146 958	138 288	8 670	5.9%
Transfers and subsidies	1 056 315	1 051 291	5 024	0.5%
Payment for capital assets	169	167	2	1.2%
TOTAL	1 203 442	1 189 746	13 696	1.1%

The variances are mainly attributed to:

Compensation of Employees: The delay in promulgating the NMW Act resulted in this underspending.

Transfers and Subsidies: Underspending due to the fluctuating exchange rate.

4.2 PER ECONOMIC CLASSIFICATION

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	1 271 652	1 149 681	121 971	9.6%
Goods and services	585 034	550 926	34 108	5.8%
Transfers and subsidies				
Provinces and municipalities	752	752	-	0.0%
Departmental agencies and accounts	1 103 556	1 103 547	9	0.0%
Foreign governments and international organisations	25 218	20 278	4 940	19.6%
Non-profit institutions	181 212	167 877	13 335	7.4%
Households	4 404	4 312	92	2.1%
Payments for capital assets				
Buildings and other fixed structures	16 014	10 886	5 128	32.0%
Machinery and equipment	93 619	77 023	16 596	17.7%
Software and other intangible assets	-	-	-	0.0%
Payments for financial assets	1 409	1 409	-	0.0%
TOTAL	3 282 870	3 086 691	196 179	6.0%

Refer to reasons for variances in the above mentioned programmes.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	3 282 870	3 055 821
Departmental revenue	2	10 781	16 805
TOTAL REVENUE		3 293 651	3 072 626
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 149 681	1 059 512
Goods and services	4	550 926	511 872
TOTAL CURRENT EXPENDITURE		1 700 607	1 571 384
Transfers and subsidies			
Transfers and subsidies	6	1 296 766	1 179 632
TOTAL TRANSFERS AND SUBSIDIES		1 296 766	1 179 632
Expenditure for capital assets			
Tangible assets	7	87 909	80 636
Intangible assets	7	-	12 144
TOTAL EXPENDITURE FOR CAPITAL ASSETS		87 909	92 780
Payments for financial assets	5	1 409	223
TOTAL EXPENDITURE		3 086 691	2 844 019
SURPLUS/(DEFICIT) FOR THE YEAR		206 960	228 607
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		196 179	211 802
Annual appropriation		196 179	211 802
Departmental revenue and NRF Receipts	12	10 781	16 805
SURPLUS/(DEFICIT) FOR THE YEAR		206 960	228 607

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		188 799	209 368
Cash and cash equivalents	8	8 197	56 611
Prepayments and advances	9	4 297	7 687
Receivables	10	176 305	145 070
Non-current assets		20 304	15 377
Receivables	10	20 304	15 377
TOTAL ASSETS		209 103	224 745
LIABILITIES			
Current liabilities		199 816	216 805
Voted funds to be surrendered to the Revenue Fund	11	196 179	211 802
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	718	2 586
Payables	13	2 919	2 417
TOTAL LIABILITIES		199 816	216 805
NET ASSETS		9 287	7 940
Represented by:			
Recoverable revenue		9 287	7 940
TOTAL		9 287	7 940

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018/19 R'000	2017/18 R'000
Recoverable revenue			
Opening balance		7 940	6 144
Transfers:		1 347	1 796
Debts recovered (included in departmental receipts)		3 599	3 735
Debts raised		(2 252)	(1 939)
TOTAL		9 287	7 940

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018/19	2017/18
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 293 575	3 072 583
Annual appropriated funds received	1.1	3 282 870	3 055 821
Departmental revenue received	2	9 472	15 405
Interest received	2.3	1 233	1 357
Net (increase)/decrease in working capital		(32 270)	19 918
Surrendered to Revenue Fund		(224 451)	(96 073)
Current payments		(1 700 607)	(1 571 384)
Payments for financial assets		(1 409)	(223)
Transfers and subsidies paid		(1 296 766)	(1 179 632)
Net cash flow available from operating activities	14	38 072	245 189
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(87 909)	(92 780)
Proceeds from sale of capital assets	2.4	76	43
Net cash flows from investing activities		(87 833)	(92 737)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1 347	1 796
Net cash flows from financing activities		1 347	1 796
Net increase/(decrease) in cash and cash equivalents		(48 414)	154 248
Cash and cash equivalents at beginning of period		56 611	(97 637)
Cash and cash equivalents at end of period	15	8 197	56 611

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

PART A: ACCOUNTING POLICIES

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 comprise 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.

Write-offs are made according to the Department's debt write-off policy.

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 **Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

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.

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 asset.
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**
Payables recognised in the statement of financial position are recognised at cost.
16. **Capital Assets**
- 16.1 **Immovable capital assets**
Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
- 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.
Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
- 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 of a capital nature forms part of the cost of the existing asset when ready for use.
- 16.4 **Project Costs: Work-in-progress**
Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register.

Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
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 (other than for transfers and subsidies) 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; or
- Approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- 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 31. 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**

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

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

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

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.

30. **Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

PART B: EXPLANATORY NOTES

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):

	2018/19			2017/18	
	FINAL APPROPRIATION	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/ NOT RECEIVED	FINAL APPROPRIATION	APPROPRIATION RECEIVED
	R'000	R'000	R'000	R'000	R'000
Administration	906 631	906 631	-	887 791	887 791
Inspection and Enforcement Services	592 223	592 223	-	531 248	531 248
Public Employment Services	580 574	580 574	-	557 384	557 384
Labour Policy and Industrial Relations	1 203 442	1 203 442	-	1 079 398	1 079 398
TOTAL	3 282 870	3 282 870	-	3 055 821	3 055 821

2. DEPARTMENTAL REVENUE

	Note	2018/19	2017/18
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	4 665	4 436
Fines, penalties and forfeits	2.2	1 988	2 281
Interest, dividends and rent on land	2.3	1 233	1 357
Sales of capital assets	2.4	76	43
Transactions in financial assets and liabilities	2.5	2 819	8 688
Departmental revenue collected		10 781	16 805

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

	Note	2018/19	2017/18
		R'000	R'000
Sales of goods and services produced by the department	2	4 640	4 391
Sales by market establishment		142	153
Administrative fees		2 173	2 057
Other sales		2 325	2 181
Sales of scrap, waste and other used current goods		25	45
TOTAL		4 665	4 436

2.2 FINES, PENALTIES AND FORFEITS

	Note	2018/19	2017/18
	2	R'000	R'000
Fines		1 988	1 116
Penalties		-	1 165
TOTAL		1 988	2 281

2.3 INTEREST, DIVIDENDS AND RENT ON LAND

	Note	2018/19	2017/18
	2	R'000	R'000
Interest		1 233	1 357
TOTAL		1 233	1 357

2.4 SALE OF CAPITAL ASSETS

	Note	2018/19	2017/18
	2	R'000	R'000
Tangible assets		76	43
Machinery and equipment	28	76	43
TOTAL		76	43

2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

	Note	2018/19	2017/18
	2	R'000	R'000
Receivables		2 116	1 605
Other Receipts including Recoverable Revenue		703	7 083
TOTAL		2 819	8 688

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

	Note	2018/19	2017/18
	3	R'000	R'000
Basic salary		813 153	746 556
Performance award		20 013	18 994
Service Based		1 661	1 778
Compensative/circumstantial		11 464	9 548
Other non-pensionable allowances		139 564	130 973
TOTAL		985 855	907 849

3.2 SOCIAL CONTRIBUTIONS

	Note	2018/19	2017/18
	3	R'000	R'000
Employer Contributions			
Pension		104 941	96 494
Medical		58 645	54 952
Bargaining council		240	217
TOTAL		163 826	151 663
TOTAL COMPENSATION OF EMPLOYEES		1 149 681	1 059 512
Average number of employees		2 771	2 693

4. GOODS AND SERVICES

	Note	2018/19	2017/18
		R'000	R'000
Administrative fees		7 102	9 178
Advertising		14 920	14 432
Minor assets	4.1	8 835	13 406
Bursaries (employees)		4 477	2 310
Catering		6 363	4 665
Communication		24 933	28 539
Computer services	4.2	55 911	54 584
Consultants: Business and advisory services		8 863	6 310
Laboratory services		51	-
Legal services		16 061	12 796
Contractors		5 158	2 734
Agency and support / outsourced services		-	1
Entertainment		419	180
Audit cost – external	4.3	13 203	16 867
Fleet services		30 222	28 142
Consumables	4.4	22 022	15 489
Operating leases		132 457	138 720
Property payments	4.5	52 307	50 868
Rental and hiring		2 078	626
Transport provided as part of the departmental activities		45	149
Travel and subsistence	4.6	110 301	82 692
Venues and facilities		6 917	8 370
Training and development		18 669	12 277
Other operating expenditure	4.7	9 612	8 537
TOTAL		550 926	511 872

4.1 MINOR ASSETS

	Note	2018/19	2017/18
	4	R'000	R'000
Tangible assets		8 835	13 406
Machinery and equipment		8 835	13 406
TOTAL		8 835	13 406

4.2 COMPUTER SERVICES

	Note	2018/19	2017/18
	4	R'000	R'000
SITA computer services		22 157	18 338
External computer service providers		33 754	36 246
TOTAL		55 911	54 584

4.3 AUDIT COST – EXTERNAL

	Note	2018/19	2017/18
	4	R'000	R'000
Regularity audits		13 203	16 867
TOTAL		13 203	16 867

4.4 CONSUMABLES

	Note	2018/19	2017/18
	4	R'000	R'000
Consumable supplies		2 936	2 560
Uniform and clothing		900	478
Household supplies		1 302	976
Building material and supplies		416	153
IT consumables		66	569
Other consumables		252	384
Stationery, printing and office supplies		19 086	12 929
TOTAL		22 022	15 489

4.5 PROPERTY PAYMENTS

	Note	2018/19	2017/18
	4	R'000	R'000
Municipal services		25 218	27 126
Property management fees		1 123	1 288
Property maintenance and repairs		3 670	2 236
Other		22 296	20 218
TOTAL		52 307	50 868

4.6 TRAVEL AND SUBSISTENCE

	Note	2018/19	2017/18
		R'000	R'000
	4		
Local		91 929	71 900
Foreign		18 372	10 792
TOTAL		110 301	82 692

4.7 OTHER OPERATING EXPENDITURE

	Note	2018/19	2017/18
		R'000	R'000
	4		
Professional bodies, membership and subscription fees		143	160
Resettlement costs		2 077	1 461
Other		7 392	6 916
TOTAL		9 612	8 537

5. PAYMENTS FOR FINANCIAL ASSETS

	Note	2018/19	2017/18
		R'000	R'000
Other material losses written off	5.1	1 409	223
TOTAL		1 409	223

5.1 OTHER MATERIAL LOSSES WRITTEN OFF

	Note	2018/19	2017/18
		R'000	R'000
	5		
Nature of losses			
Receivables relating to:			
State guarantees		22	-
Damaged vehicles		246	84
Traffic fines		55	139
Departmental claims		1 086	-
TOTAL		1 409	223

6. TRANSFERS AND SUBSIDIES

	Note	2018/19	2017/18
		R'000	R'000
Provinces and municipalities	Annex 1A	752	620
Departmental agencies and accounts	Annex 1B	1 103 547	979 936
Foreign governments and international organisations	Annex 1C	20 278	19 974
Non-profit institutions	Annex 1D	167 877	173 351
Households	Annex 1E	4 312	5 751
TOTAL		1 296 766	1 179 632

7. EXPENDITURE FOR CAPITAL ASSETS

	Note	2018/19	2017/18
		R'000	R'000
Tangible assets		87 909	80 636
Buildings and other fixed structures	30	10 886	2 404
Machinery and equipment	28	77 023	78 232
Intangible assets		-	12 144
Software	29	-	12 144
TOTAL		87 909	92 780

7.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2018/19

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	87 909	-	87 909
Buildings and other fixed structures	10 886	-	10 886
Machinery and equipment	77 023	-	77 023
Intangible assets	-	-	-
Software	-	-	-
TOTAL	87 909	-	87 909

7.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2017/18

	VOTED FUNDS	AID ASSISTANCE	TOTAL
	R'000	R'000	R'000
Tangible assets	80 636	-	80 636
Buildings and other fixed structures	2 404	-	2 404
Machinery and equipment	78 232	-	78 232
Intangible assets	12 144	-	12 144
Software	12 144	-	12 144
TOTAL	92 780	-	92 780

7.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	Note	2018/19	2017/18
		R'000	R'000
Tangible assets		5 702	9 014
Machinery and equipment		5 702	9 014
TOTAL		5 702	9 014

8. CASH AND CASH EQUIVALENTS

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General Account		7 659	55 929
Cash receipts		-	1
Disbursements		55	210
Cash on hand		483	471
TOTAL		8 197	56 611

9. PREPAYMENTS AND ADVANCES

	Note	2018/19	2017/18
		R'000	R'000
Travel and subsistence		341	237
Advances paid (Not expensed)	9.1	3 956	7 450
TOTAL		4 297	7 687

9.1 ADVANCES PAID (NOT EXPENSED)

	Note	BALANCE AS AT 1 APRIL 2018	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2019
		R'000	R'000	R'000	R'000	R'000
National departments	9	7 400	(21 621)	-	16 749	2 528
Public entities		50	(222)	-	1 600	1 428
TOTAL		7 450	(21 843)	-	18 349	3 956

	Note	BALANCE AS AT 1 APRIL 2017	LESS: AMOUNT EXPENSED IN CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	BALANCE AS AT 31 MARCH 2018
		R'000	R'000	R'000	R'000	R'000
National departments	9	14 758	(14 403)	-	7 045	7 400
Public entities		50	-	-	-	50
TOTAL		14 808	(14 403)	-	7 045	7 450

9.2 PREPAYMENTS (EXPENSED)

Note	AMOUNT AS AT 1 APRIL 2018	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2019
	R'000	R'000	R'000	R'000	R'000
Goods and services*	1 981	(6 902)	-	14 788	9 867
TOTAL	1 981	(6 902)	-	14 788	9 867

*This relates to amounts paid in advance for software related licences, maintenance agreements and other services.

Note	AMOUNT AS AT 1 APRIL 2017	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR PREPAYMENTS	AMOUNT AS AT 31 MARCH 2018
	R'000	R'000	R'000	R'000	R'000
Goods and services	1 474	(1 877)	-	2 384	1 981
TOTAL	1 474	(1 877)	-	2 384	1 981

9.2.1 PRIOR PERIOD ERROR

NATURE OF PRIOR PERIOD ERROR

Relating to 2017/18

Prepayments (Expensed) (2017/18)

TOTAL PRIOR PERIOD ERRORS

*Prior year error that affected opening balance included above.

2017/18
R'000
(8 792)
(8 792)

9.3 ADVANCES PAID (EXPENSED)

Note	AMOUNT AS AT 1 APRIL 2018	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2019
	R'000	R'000	R'000	R'000	R'000
Public entities	3 507	(5 103)	-	3 619	2 023
TOTAL	3 507	(5 103)	-	3 619	2 023

Note	AMOUNT AS AT 1 APRIL 2017	LESS: RECEIVED IN THE CURRENT YEAR	ADD OR LESS: OTHER	ADD: CURRENT YEAR ADVANCES	AMOUNT AS AT 31 MARCH 2018
	R'000	R'000	R'000	R'000	R'000
Public entities	1 282	(2 154)	-	4 379	3 507
TOTAL	1 282	(2 154)	-	4 379	3 507

Payments and balances in 9.2 and 9.3 above are disclosure notes that provide additional information to the expenditure transactions as recognised in the Statement of Financial Performance

9.3.1 PRIOR PERIOD ERROR**NATURE OF PRIOR PERIOD ERROR****Relating to 2017/18**

Advances paid (Expensed) (2017/18)

TOTAL PRIOR PERIOD ERRORS

	2017/18
	R'000
Advances paid (Expensed) (2017/18)	2 702
TOTAL PRIOR PERIOD ERRORS	2 702

*Prior year error that affected opening balance included above

10. RECEIVABLES

	Note	2018/19			2017/18		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	165 287	4 637	169 924	139 707	4 516	144 223
Recoverable expenditure	10.2	8 524	3 992	12 516	3 325	1 224	4 549
Staff debt	10.3	2 494	11 500	13 994	2 032	9 516	11 548
Other debtors	10.4	-	175	175	6	121	127
TOTAL		176 305	20 304	196 609	145 070	15 377	160 447

10.1 CLAIMS RECOVERABLE

	Note	2018/19	2017/18
	10 and Annex 3	R'000	R'000
National departments		76	248
Provincial departments		183	189
Public entities		169 665	143 786
TOTAL		169 924	144 223

10.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

	Note	2018/19	2017/18
	10	R'000	R'000
Disallowance fraud		839	839
Damaged vehicles		5 968	3 315
Disallowance accounts		8	46
Clearing accounts		1 368	254
Damages and losses		4 333	95
TOTAL		12 516	4 549

10.3 STAFF DEBT

	Note	2018/19	2017/18
	10	R'000	R'000
Subsidised transport		85	11
Travel and subsistence		227	213
Bursaries		3 887	3 391
Salary overpayment (In-service)		3 235	3 012

Salary overpayment (Out-service)		1 490	1 282
State guarantees		17	37
Other		5 053	3 602
TOTAL		13 994	11 548

10.4 OTHER DEBTORS

	Note	2018/19	2017/18
		R'000	R'000
Salary clearing accounts	10	175	127
TOTAL		175	127

10.5 IMPAIRMENT OF RECEIVABLES

	Note	2018/19	2017/18
		R'000	R'000
Estimate of impairment of receivables		839	1 038
TOTAL		839	1 038

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		211 802	81 292
Transfer from statement of financial performance (as restated)		196 179	211 802
Paid during the year		(211 802)	(81 292)
Closing balance		196 179	211 802

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

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		2 586	562
Transfer from statement of financial performance (as restated)		10 781	16 805
Paid during the year		(12 649)	(14 781)
Closing balance		718	2 586

13. PAYABLES – CURRENT

	Note	2018/19	2017/18
		R'000	R'000
Amounts owing to other entities		4	80
Clearing accounts	13.1	1 896	1 698
Other payables	13.2	1 019	639
TOTAL		2 919	2 417

13.1 CLEARING ACCOUNTS

	Note	2018/19	2017/18
		R'000	R'000
Salary control accounts	13	1 896	1 698
TOTAL		1 896	1 698

13.2 OTHER PAYABLES

	Note	2018/19	2017/18
		R'000	R'000
	13		
Arrear wages		990	521
CCMA		29	118
TOTAL		1 019	639

14. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2018/19	2017/18
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		206 960	228 607
Add back non cash/cash movements not deemed operating activities		(168 888)	16 582
(Increase)/decrease in receivables		(36 162)	12 737
(Increase)/decrease in prepayments and advances		3 390	7 385
Increase/(decrease) in payables – current		502	(204)
Proceeds from sale of capital assets		(76)	(43)
Expenditure on capital assets		87 909	92 780
Surrenders to Revenue Fund		(224 451)	(96 073)
Net cash flow generated by operating activities		38 072	245 189

15. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General account		7 659	55 929
Cash receipts		-	1
Disbursements		55	210
Cash on hand		483	471
TOTAL		8 197	56 611

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**16.1 CONTINGENT LIABILITIES**

Liable to	Nature	Note	2018/19	2017/18
			R'000	R'000
Housing loan guarantees	Employees	Annex 2A	1 887	2 103
Claims against the Department		Annex 2B	4 537	4 471
Intergovernmental payables (unconfirmed balances)		Annex 4	2 486	13 707
TOTAL			8 910	20 281

17. COMMITMENTS

	Note	2018/19	2017/18
		R'000	R'000
Current expenditure		29 193	130 071
Approved and contracted		28 922	130 071
Approved but not yet contracted		271	-
TOTAL COMMITMENTS		29 193	130 071

Commitments amounting to R 12 670 668.30 are older than 1 year.

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level		R'000	R'000
Programme 1 – Administration		18 810	40 636
Programme 2 – Inspection and Enforcement Services		30	-
Programme 3 – Public Employment Services*		10 346	89 435
Programme 4 – Labour Policy and Industrial Relations		7	-
TOTAL		29 193	130 071

*Commitments: Unemployment Insurance Fund R 5 157 812.79 and Compensation Fund R 5 157 812.79.

18. ACCRUALS AND PAYABLES NOT RECOGNISED

18.1 ACCRUALS

			2018/19	2017/18
	30 DAYS	30+ DAYS	TOTAL	TOTAL
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	63 619	1 217	64 836	24 746
Capital assets	1 425	-	1 425	128
TOTAL	65 044	1 217	66 261	24 874

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level		R'000	R'000
Programme 1 – Administration		37 111	12 500
Programme 2 – Inspection and Enforcement Services		2 956	937
Programme 3 – Public Employment Services*		25 176	11 150
Programme 4 – Labour Policy and Industrial Relations		1 018	287
TOTAL		66 261	24 874

*Accruals: Unemployment Insurance Fund R 15 523 638.41 and Compensation Fund R 8 106 901.45.

Reasons for material accruals: Accruals relating to security and cleaning contractual services (R5.7 mil), Travel with Flair & Tourvest Travel Services (R6.7 mil), Municipal Services (R4.0 mil), DPW-Capital Works (25 mil), SITA services (R3.7 mil) as well as cell phone service (R8.5 mil).

18.2 PAYABLES NOT RECOGNISED

			2018/19	2017/18
	30 DAYS	30+ DAYS	TOTAL	TOTAL
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	1 462	-	1 462	1 255
Capital assets	1 737	-	1 737	-
TOTAL	3 199	-	3 199	1 255

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level			
Programme 1 – Administration		2 874	1 087
Programme 2 – Inspection and Enforcement Services		29	14
Programme 3 – Public Employment Services*		275	152
Programme 4 – Labour Policy and Industrial Relations		21	2
TOTAL		3 199	1 255

*Payables: Unemployment Insurance Fund R 78 403.35 and Compensation Fund R 121 043.78

	Note	2018/19	2017/18
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 4	1 257	570
Confirmed balances with other government entities	Annex 4	279	2 994
TOTAL		1 536	3 564

19. EMPLOYEE BENEFITS

	Note	2018/19	2017/18
		R'000	R'000
Leave entitlement*		52 601	43 798
Service bonus		35 093	32 006
Performance awards		22 430	26 625
Capped leave commitments		29 046	29 718
Long service award		217	475
TOTAL		139 387	132 622

*During January 2019 to March 2019, 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 R 52 600 423.05 for the year-ended 31 March 2019, the value of leave with negative balances amounts to R 3 640 970.82.

19.1 PRIOR PERIOD ERROR

	2017/18
NATURE OF PRIOR PERIOD ERROR	R'000
Relatng to 2017/18	
Performance awards (2017/18)	19 701
TOTAL PRIOR PERIOD ERRORS	19 701

*Prior year error that affected opening balance included above.

20. LEASE COMMITMENTS

20.1 OPERATING LEASES

	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
2018/19			
Not later than 1 year	131 637	7 986	139 623
Later than 1 year and not later than 5 years	208 319	4 890	213 209
Later than five years	71 986	-	71 986
TOTAL LEASE COMMITMENTS	411 942	12 876	424 818

	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
2017/18	R'000	R'000	R'000
Not later than 1 year	134 700	9 046	143 746
Later than 1 year and not later than 5 years	130 850	7 826	138 676
Later than five years	12 818	686	13 504
TOTAL LEASE COMMITMENTS	278 368	17 558	295 926

The main leasing arrangement is for leasing of DPW buildings and photocopy machines. There are no assets that are being sub-leased

20.2 FINANCE LEASES

	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
2018/19	R'000	R'000	R'000
Not later than 1 year	-	1 898	1 898
Later than 1 year and not later than 5 years	-	267	267
TOTAL LEASE COMMITMENTS	-	2 165	2 165

	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
2017/18	R'000	R'000	R'000
Not later than 1 year	-	5 207	5 207
Later than 1 year and not later than 5 years	-	1 095	1 095
TOTAL LEASE COMMITMENTS	-	6 302	6 302

The main leasing arrangement is for leasing of mobile devices (tablets & cell phones) from Vodacom (RT15/2016 transversal contract through the National Treasury).

There are no assets that are being sub-leased.

21. ACCRUED DEPARTMENTAL REVENUE

	Note	2018/19	2017/18
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets		26	9
Fines, penalties and forfeits		1	-
Interest, dividends and rent on land		125	124
TOTAL		152	133

21.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		133	120
Less: amounts received		(133)	(120)
Add: amounts recorded		152	133
Closing balance		152	133

22. IRREGULAR EXPENDITURE

22.1 RECONCILIATION OF IRREGULAR EXPENDITURE

Note	2018/19	2017/18
	R'000	R'000
Opening balance	35 749	34 513
Add: Adjustment to opening balance	(270)	-
Add: Irregular expenditure – relating to current year	3 447	1 236
Closing balance	38 926	35 749

	INVESTIGATION NOT YET INSTITUTED	INVESTIGATION IN PROCESS	AWAITING CONDONATION	AWAITING RECOVERY	2018/19 TOTAL	2017/18 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Current year	1 968	1 197	282	-	3 447	1 236
Prior year	4 443	29 577	1 457	2	35 479	34 513
Closing balance	6 411	30 774	1 739	2	38 926	35 749

22.2 DETAILS OF IRREGULAR EXPENDITURE – ADDED CURRENT YEAR (RELATING TO CURRENT AND PRIOR YEARS)

Incident	Disciplinary steps taken/criminal proceedings	2018/19
		R'000
SCM related IE discovered by SCM		3 447
TOTAL		3 447

23. FRUITLESS AND WASTEFUL EXPENDITURE

23.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Note	2018/19	2017/18
	R'000	R'000
Opening balance	4 423	451
Fruitless and wasteful expenditure – relating to current year	4 450	4 024
Less: Amounts resolved	(266)	(52)
Closing balance	8 607	4 423

23.2 ANALYSIS OF AWAITING RESOLUTION PER ECONOMIC CLASSIFICATION

	INVESTIGATION NOT YET INSTITUTED	INVESTIGATION IN PROCESS	AWAITING CONDONATION	AWAITING RECOVERY	2018/19 TOTAL	2017/18 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Current year	3 684	4 519	293	111	8 607	4 423
Closing balance	3 684	4 519	293	111	8 607	4 423

23.3 ANALYSIS OF CURRENT YEAR'S (RELATING TO CURRENT AND PRIOR YEARS) FRUITLESS AND WASTEFUL EXPENDITURE

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
No shows - accommodation	Investigation in process	19
No shows - other	Investigation in process	18
Vehicle related damages/accidents	Investigation in process	4 080
Imbizos and other related events	Investigation in process	94
Procurement related	Investigation in process	40
Interest and penalties	Investigation in process	199
TOTAL		4 450

24. RELATED PARTY TRANSACTIONS

Nature of relationship

Public Entity 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

		2018/19	2017/18
RELATED PARTY	TRANSACTION TYPE	R'000	R'000
Supported Employment Enterprises*	Compensation of Employees	4 977	4 150
	Compensation of Employees (Internal Audit)	710	358
	TOTAL	5 687	4 508

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

25. KEY MANAGEMENT PERSONNEL

		2018/19	2017/18
	NO. OF INDIVIDUALS	R'000	R'000
Political office bearers	2	4 379	4 380
Officials:			
Level 15 to 16	10	16 300	15 424
Level 14	34	42 211	37 308
Acting positions	3	233	229
TOTAL		63 123	57 341

26. 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.

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.

AS AT 31 MARCH 2019, THE BALANCE OF THE REINVESTMENT FUND WAS:

	2018/19	2017/18
	R'000	R'000
Department of Labour	-	1 162
Compensation Fund	-	376
Unemployment Insurance Fund	-	370
TOTAL	-	1 908

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

- Funds accumulated due to foreign exchange savings were distributed to the Department of Labour.
- Funds accumulated due to excess profits were shared equally between the Department of Labour and the private partner.
- Funds accumulated due to service credits were shared between the Department of Labour and the private partner, depending on how the service credit originated.
- The final payment to EOH regarding the PPP was paid during the 2018/2019 financial year, in closure of the PPP arrangement.

27. PROVISIONS

	Note	2018/19	2017/18
		R'000	R'000
Staff debtors		5 376	3 643
Private enterprises		89	89
TOTAL		5 465	3 732

27.1 RECONCILIATION OF MOVEMENT IN PROVISIONS - 2018/19

	STAFF DEBTORS	PRIVATE ENTERPRISES	OTHER DEBTORS	TOTAL PROVISIONS
	R'000	R'000	R'000	R'000
Opening balance	3 643	89	-	3 732
Increase in provision	1 754	-	-	1 754
Settlement of provision	(21)	-	-	(21)
Closing balance	5 376	89	-	5 465

27.2 RECONCILIATION OF MOVEMENT IN PROVISIONS - 2017/18

	STAFF DEBTORS	PRIVATE ENTERPRISES	OTHER DEBTORS	TOTAL PROVISIONS
	R'000	R'000	R'000	R'000
Opening balance	3 039	89	1 578	4 706
Increase in provision	759	-	-	759
Settlement of provision	(155)	-	(1 578)	(1 733)
Closing balance	3 643	89	-	3 732

28. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	444 069	-	72 979	(19 084)	497 964
Transport assets	183 230	-	34 377	(2 012)	215 595
Computer equipment	153 900	-	33 617	(2 584)	184 933
Furniture and office equipment	60 231	-	3 908	(228)	63 911
Other machinery and equipment	46 708	-	1 077	(14 260)	33 525
TOTAL CAPITAL ASSETS	444 069	-	72 979	(19 084)	497 964

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	38	1 804

*Vehicles damaged/stolen, under investigation.

*IT equipment stolen/lost, under investigation.

28.1 ADDITIONS

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	CASH	NON-CASH*	(CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	77 023	1 620	(5 702)	38	72 979
Transport assets	34 377	-	-	-	34 377
Computer equipment	39 003	316	(5 702)	-	33 617
Furniture and office equipment	2 783	1 087	-	38	3 908
Other machinery and equipment	860	217	-	-	1 077
TOTAL ADDITIONS	77 023	1 620	(5 702)	38	72 979

*Non-cash: Compensation Fund transferred assets to the Department.

28.2 DISPOSALS

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	SOLD FOR CASH	NON-CASH DISPOSAL	TOTAL DISPOSALS	CASH RECEIVED ACTUAL
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	(19 084)	(19 084)	(76)
Transport assets	-	(2 012)	(2 012)	(76)
Computer equipment	-	(2 584)	(2 584)	-
Furniture and office equipment	-	(228)	(228)	-
Other machinery and equipment	-	(14 260)	(14 260)	-
TOTAL DISPOSAL	-	(19 084)	(19 084)	(76)

28.3 MOVEMENT FOR 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	350 687	1 085	95 971	(3 674)	444 069
Transport assets	170 583	343	13 021	(717)	183 230
Computer equipment	89 272	338	66 550	(2 260)	153 900
Furniture and office equipment	57 915	468	2 056	(208)	60 231
Other machinery and equipment	32 917	(64)	14 344	(489)	46 708
TOTAL MOVABLE TANGIBLE	350 687	1 085	95 971	(3 674)	444 069

28.3.1 PRIOR PERIOD ERROR

	2017/18
NATURE OF PRIOR PERIOD ERROR	R'000
Relating to 2017/18	
Non-cash: prior period price corrections	(147)
Non-cash: prior period price corrections	131
Transfers and adjustments (2017/18)	1 101
TOTAL PRIOR PERIOD ERRORS	1 085

*Prior year error that affected opening balance included above.

28.4 MINOR ASSETS

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	123 440	123 455
Additions*	-	9 956	9 956
Disposals	-	(2 132)	(2 132)
TOTAL MINOR ASSETS	15	131 264	131 279

*Compensation Fund transferred assets to the Department.

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
Number of R1 minor assets	-	9 680	9 680
Number of minor assets at cost	4	100 879	100 883
TOTAL NUMBER OF MINOR ASSETS	4	110 559	110 563

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	45	121

*IT equipment stolen/lost, under investigation.

*Assets stolen/lost, under investigation.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Opening balance	15	110 924	110 939
Prior period error	-	875	875
Additions	-	13 892	13 892
Disposals	-	(2 251)	(2 251)
TOTAL MINOR ASSETS	15	123 440	123 455

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Number of R1 minor assets	-	8 110	8 110
Number of minor assets at cost	4	98 711	98 715
TOTAL NUMBER OF MINOR ASSETS	4	106 821	106 825

28.4.1 PRIOR PERIOD ERROR

	2017/18
Nature of prior period error	R'000
Relating to 2017/18	
Transfers and adjustments (2017/18)	871
Non-cash: prior period price corrections	2
Non-cash: prior period price corrections	(3)
Prior period asset to consumable	5
TOTAL	875

*Prior year error that affected opening balance included above.

28.5 MOVABLE ASSETS WRITTEN OFF**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019**

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Assets written off	-	2 180	2 180
TOTAL MOVABLE ASSETS WRITTEN OFF	-	2 180	2 180

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	INTANGIBLE ASSETS	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000
Assets written off	-	1 263	1 263
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1 263	1 263

29. INTANGIBLE CAPITAL ASSETS**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	144 413	-	-	-	144 413
TOTAL INTANGIBLE ASSETS	144 413	-	-	-	144 413

29.1 MOVEMENT FOR 2017/18

MOVEMENT TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	248 539	(12 144)	12 144	(104 126)	144 413
TOTAL INTANGIBLE ASSETS	248 539	(12 144)	12 144	(104 126)	144 413

29.1.1 PRIOR PERIOD ERROR

	2017/18
	R'000
Nature of prior period error	
Relating to 2017/18	
Additions to prior period	(12 144)
TOTAL	(12 144)

Prior year error that affected opening balance included above.

30. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	154	-	2 657	-	2 811
Non-residential buildings	154	-	2 657	-	2 811
TOTAL TANGIBLE CAPITAL ASSETS	154	-	2 657	-	2 811

30.1 ADDITIONS

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	CASH	NON-CASH	(CAPITAL WORK IN PROGRESS CURRENT COSTS AND FINANCE LEASE PAYMENTS)	RECEIVED CURRENT, NOT PAID (PAID CURRENT YEAR, RECEIVED PRIOR YEAR)	TOTAL
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	10 886	-	(10 871)	2 642	2 657
Non-residential buildings	10 886	-	(10 871)	2 642	2 657
TOTAL ADDITIONS	10 886	-	(10 871)	2 642	2 657

30.2 MOVEMENT FOR 2017/18**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	OPENING BALANCE	PRIOR PERIOD ERROR	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	131	-	23	-	154
Non-residential buildings	131	-	23	-	154
TOTAL TANGIBLE CAPITAL ASSETS	131	-	23	-	154

31. PRINCIPAL-AGENT ARRANGEMENTS**31.1 DEPARTMENT ACTING AS THE PRINCIPAL**

	FEE PAID 2018/19	FEE PAID 2017/18
	R'000	R'000
Government Communication and Information Systems (GCIS)*	-	1 052
TOTAL	-	1 052

Government Communication and Information Systems (GCIS):

*Advance payments to GCIS amounting to R 1 215 383.27 are outstanding regarding outsourced communication projects for the Department. No fees are paid in this regard to GCIS.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2017/18			
	DORA AND OTHER TRANSFERS	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	UNSPENT FUNDS	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT	ACTUAL TRANSFER
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers													
Municipal Vehicle Licences*	618	-	134	752	752	-	-	-	-	-	100%	619	-
Municipal Rates and Taxes	-	-	-	-	-	-	-	-	-	-	-	1	-
TOTAL	618	-	134	752	752	-	-	-	-	-		620	-

*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

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18	
	ADJUSTED APPROPRIATION	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
Licences (Radio and TV)	-	-	40	40	40	100%	32	
Compensation Fund (CF)	16 107	-	-	16 107	16 100	100%	15 917	
Unemployment Insurance Fund (UIF)	1	-	-	1	-	-	-	
Commission for Conciliation, Mediation and Arbitration (CCMA)	963 066	-	-	963 066	963 066	100%	864 090	
Productivity SA	53 261	-	25 100	78 361	78 361	100%	60 064	
National Economic Development and Labour Council (NEDLAC)	45 981	-	-	45 981	45 980	100%	39 833	
TOTAL	1 078 416	-	25 140	1 103 556	1 103 547		979 936	

ANNEXURE 1C STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2017/18	
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
International Labour Organisation (ILO)	23 984	-	-	23 984	19 241	80%	18 993	
African Regional Labour Administration Centre (ARLAC)	1 234	-	-	1 234	1 037	84%	981	
TOTAL	25 218	-	-	25 218	20 278		19 974	

ANNEXURE 1D STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
SA National Council for the Blind	413	-	-	413	-	-	358
Deaf Federation of South Africa	291	-	-	291	-	-	-
National Council for the Physical Disabled	336	-	-	336	-	-	291
Workshops for the Blind	12 420	-	-	12 420	10 125	82%	11 572
Strengthen Civil Society	20 973	-	-	20 973	20 973	100%	19 823
TOTAL	34 433	-	-	34 433	31 098		32 044

Note Public Employment Services (PES) transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities (Supported Employment Enterprises; SEE)

ANNEXURE 1D (1) STATEMENT OF TRANSFERS TO SUPPORTED EMPLOYMENT ENTERPRISES

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT R'000	ROLL OVERS R'000	ADJUSTMENTS R'000	TOTAL AVAILABLE R'000	ACTUAL TRANSFER R'000	% OF AVAILABLE FUNDS TRANSFERRED %	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Workcentres for the Disabled	146 779	-	-	146 779	136 779	93%	141 307
TOTAL	146 779	-	-	146 779	136 779		141 307

ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18 FINAL APPROPRIATION R'000
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Leave gratuity	2 415	-	1 479	3 894	3 802	98%	5 361
Ex-gratia payments	104	-	406	510	510	100%	390
TOTAL	2 519	-	1 885	4 404	4 312		5 751

ANNEXURE 1F STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
	R'000	R'000
Made in kind		
Office Furniture and Equipment:		
Itsoseng Combined School	42	-
Tsoseleto Skill Centre	127	-
Endtime Church	101	-
Kanana Community & Development	32	-
Molitlegi Primary School	-	50
Vallet of Miracles Ministries	-	50
TOTAL	302	100

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2018	ADJUSTMENT TO OPENING BALANCE	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	CLOSING BALANCE 31 MARCH 2019	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2019	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
Housing									
Standard Bank of SA Limited	Housing Loan Guarantee	505	505	-	(86)	-	419	-	-
Nedbank Limited (former Cape of Good Hope)	Housing Loan Guarantee	16	16	-	-	-	16	-	-
Nedbank limited	Housing Loan Guarantee	204	204	(1)	(17)	-	186	-	-
Firststrand Bank Limited: FNB	Housing Loan Guarantee	290	290	(1)	(52)	-	237	-	-
ABSA	Housing Loan Guarantee	116	116	-	-	-	116	-	-
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	156	156	1	-	-	157	-	-
Nedbank LTD Incorporation (Former FBC Peoples Bank NBS)	Housing Loan Guarantee	280	280	-	(61)	-	219	-	-
Firststrand Bank Limited: FNB (former Saambou)	Housing Loan Guarantee	251	251	-	-	-	251	-	-
Old Mutual Bank Division of Nedbank (former PERM)	Housing Loan Guarantee	200	200	-	-	-	200	-	-
Future Bank Corporation Limited	Housing Loan Guarantee	14	14	-	-	-	14	-	-
Free State Development Corporation	Housing Loan Guarantee	17	17	-	-	-	17	-	-
VBS Mutual Bank	Housing Loan Guarantee	7	7	1	-	-	8	-	-
	TOTAL	2 103	2 103	-	(216)	-	1 887	-	-

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

NATURE OF LIABILITY	OPENING BALANCE 1 APRIL 2018	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE 31 MARCH 2019
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Claims: Supplier-related	312	-	-	-	312
Claims: Employee-related	339	-	-	-	339
Civil Claims	3 820	66	-	-	3 886
TOTAL	4 471	66	-	-	4 537

ANNEXURE 3 CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2018/19	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Higher Education & Training	-	32	-	-	-	32		-
Justice & Constitutional Development	-	16	-	-	-	16		-
Provincial: Health (GP)	15	108	-	-	15	108		-
Provincial: Health (NW)	15	-	-	-	15	-		-
Provincial: Public Works (LP)	-	14	-	-	-	14		-
Provincial: Public Works (NW)	20	20	-	-	20	20		-
Provincial: Public Works (KZN)	19	-	-	-	19	-		-
Transport	11	53	-	-	11	53		-
Water & Sanitation Trading Account	13	13	-	-	13	13		-
Military Veterans	23	-	-	-	23	-		-
Provincial: Treasury (FS)	-	13	-	-	-	13		-
Provincial: Treasury (KZN)	57	-	-	-	57	-		-
Provincial: Education (MP)	-	6	-	-	-	6		-
Provincial: Education (LP)	16	-	-	-	16	-		-
Provincial: Education (KZN)	15	-	-	-	15	-		-
Provincial: Education (GP)	-	28	-	-	-	28		-
Provincial Social Development (EC)	21	-	-	-	21	-		-
Provincial Office of the Chief Justice (GP)	3	-	-	-	3	-		-
International Relations & Co-operation (DIRCO)	16	38	-	-	16	38		-
Environment Affairs	-	8	-	-	-	8		-
Agriculture Forestry and Fisheries	-	19	-	-	-	19		-
State Expenditure	-	5	-	-	-	5		-

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2018/19	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	RECEIPT DATE UP TO SIX (6) WORKING DAYS AFTER YEAR END	AMOUNT
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
South African Police Services	-	64	-	-	-	64		-
Rural Development & Land Affairs	13	-	-	-	13	-		-
Provincial Roads & Public Transport (EC)	2	-	-	-	2	-		-
Other Government Entities								
Compensation Fund (CF)	68 364	47 105	-	-	68 364	47 105		-
National Skills Fund (NSF)	-	964	-	-	-	964		-
Unemployment Insurance Fund (UIF)	100 278	90 540	-	-	100 278	90 540		-
Supported Employment Enterprises (SEE)	1 023	5 177	-	-	1 023	5 177		-
TOTAL	169 924	144 223	-	-	169 924	144 223	-	-

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2018/19	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	PAYMENT DATE UP TO SIX (6) WORKING DAYS BEFORE YEAR END	AMOUNT
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Justice & Constitutional Development	1 084	-	106	1 635	1 190	1 635		-
Provincial Treasury: Gauteng	-	17	-	-	-	17		-
Home Affairs	90	75	-	157	90	232		-
Public Service & Administration	6	478	-	6	6	484		-
Government Communication & Information Systems (GCIS)	-	-	706	79	706	79		-
International Relations & Cooperation	-	-	670	3 333	670	3 333		-
Water & Sanitation	77	-	-	-	77	-		-
South African Police Services	-	-	599	-	599	-		-
Non-current								
Higher Education & Training	-	-	18	18	18	18		-
Other Government Entities								
Current								
Government Printing	279	-	387	1 198	666	1 198		-
SITA	-	2 994	-	7 281	-	10 275		-
TOTAL	1 536	3 564	2 486	13 707	4 022	17 271		-

ANNEXURE 5 INVENTORIES

INVENTORIES	NOTE	QUANTITY	2018/19		2017/18	
			R'000	QUANTITY	R'000	QUANTITY
Opening balance		124	40	381	58	
Add/(Less): Adjustments to prior year balance		-	1	-	-	
Add: Additions/Purchases - Cash		502	187	144	58	
(Less): Disposals		(55)	(2)	-	-	
(Less): Issues		(502)	(187)	(119)	(52)	
Add/(Less): Adjustments		(66)	(38)	(282)	(24)	
Closing balance		3	1	124	40	

ANNEXURE 6A INTER-ENTITY ADVANCES PAID (NOTE 9)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
National Departments						
Government Communication and Information Systems (GCIS)	1 215	1 052	-	-	1 215	1 052
International Relations and Co-operation (DIRCO)	1 313	6 348	-	-	1 313	6 348
Public Entities						
SA Post Office (Permit Mail)	1 428	50	-	-	1 428	50
Supported Employment Enterprises (SEE)	673	805	-	-	673	805
National School of Government	972	2 656	-	-	972	2 656
SITA	355	46	-	-	355	46
SABC	23	-	-	-	23	-
TOTAL	5 979	10 957	-	-	5 979	10 957

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PART F

SUPPORTED
EMPLOYMENT
ENTERPRISES





PART F: SUPPORTED EMPLOYMENT ENTERPRISES

1. STATEMENT OF RESPONSIBILITY BY THE ACCOUNTING OFFICER

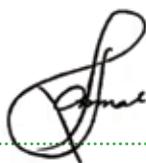
The Director-General of Labour is responsible for the preparation and fair presentation of these Annual Financial Statements in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act, 1999, (Act No. 1 of 1999). This responsibility includes designing, implementing and maintaining a system of internal controls 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 controls, it should be noted that these controls are designed to provide reasonable, but not absolute, assurance as to the fair presentation of the financial statements; to adequately safeguard, verify and maintain accountability over the assets of the entity; 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 operations 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 July 2019



T Lamati

Director-General of Labour

2. REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

GENERAL OVERVIEW OF THE ENTITY

The Supported Employment Enterprise (SEE) was 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. Of the 972 (an increase over last year's 929) factory workers currently employed, 100% are intellectually / mentally / psychologically challenged. The factories are open to all races.

The factories have operated without enabling legislation since inception, except for a Cabinet Memorandum, first compiled in 1943. The Employment Services Act 4 of 2014, which was promulgated on 7 April 2014, 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 of the nine 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 exchange transactions, 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 physical 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.

Services rendered by SEE:

- The entity supplies a significant number of government hospitals with hospital linen and protective clothing
- The entity supplies different departments with office furniture, as well as school furniture.

CAPACITY CONSTRAINTS

There is a need to review the current approved structure in order to capacitate the entity and ensure the smooth running of the organization.

CORPORATE GOVERNANCE ARRANGEMENTS

The Department of Labour is currently providing the following services to SEE:

- Internal audit
- Audit and risk committee
- Legal services.

FINANCIAL OVERVIEW

In the recent years, the Supported Employment Enterprises financial health had seen deterioration due to the revocation of the preferential supplier status of SEE and the production processes which are not cost effective. This has resulted in low revenues, as presented in this report, and the inability to recoup full cost of goods sold. In response, the Supported Employment Enterprises have launched a Sustainability Plan aimed at:

- Driving Business Productivity and Cost Containment Programmes to restore financial sustainability
- Re-engineering of production processes
- Investment on machinery and equipment as part of capital maintenance
- Developing selling price lists that are cost reflective which has been approved for the financial year 2018/19.

Key to strengthening our financial health is achieving a balance between the revenue generated and cost of production. Our plans in the sustainability plans are aimed at implementing growth strategies with a view to increase revenue whilst increasing the employment creation of persons with disabilities.

FINANCIAL RESULTS FOR THE YEAR

- In spite of the tough economic conditions and decline in the manufacturing sector output, revenues increased by 18% from R61m (FY2018) to R72m (FY2019).
- The Operating Loss is reported at R18 million for the year ended. This is attributed from the reduction of budget by R10m and also the non-cash write-offs to the income statement.
- The entity obtained approval to retain the prior year surplus and this was re-invested in the entity for capital asset replacement. Additional machinery and equipment to the value of R9 million was bought during the year under review.

3. PRIOR MODIFICATIONS TO AUDIT REPORTS (INPUT FROM AGSA MANAGEMENT REPORT)

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
MATTERS AFFECTING THE AUDIT REPORT		
REPORT ON PRE-DETERMINED OBJECTIVES		

Restatement of corresponding figures

1. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2017.

2015/16

Resolved

2. 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 material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

3. Predetermined Objectives

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 entity for the year ended 31 March 2018.

- Objective 1: Decent employment through inclusive growth for people with disabilities
- Objective 2: An efficient, effective and development oriented public service

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)

3.1. The Auditor-General assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

3.2. The Auditor-General did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Objective 1: Decent employment through inclusive growth for people with disabilities
- Objective 2: An efficient, effective and development oriented public service

4. The following is a summary of the Auditor-General's conclusions on the usefulness and reliability of the reported performance information:

SELECTED PROGRAMME	USEFULNESS	RELIABILITY
Decent employment through inclusive growth for people with disabilities	Unqualified	Unqualified
An Efficient, effective and development oriented public service	Unqualified	Unqualified

An efficient, effective and development oriented public service and decent employment through inclusive growth for people with disabilities Conclusion on usefulness and reliability

The Auditor-General concluded that the reported performance information of an efficient, effective and development oriented public service is useful and reliable, in accordance with the identified performance management and reporting framework.

Conclusion on usefulness and reliability

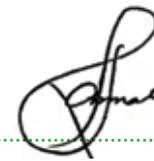
The Auditor-General concluded that the reported performance information of decent employment through inclusive growth for people with disabilities is useful and reliable, in accordance with the identified performance management and reporting framework.

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
5. ADDITIONAL MATTER		
5.1. Achievement of planned targets Refer to the annual performance report on page xx for information on the achievement of planned targets for the year. This information should be considered in the context of the conclusions expressed on the usefulness and reliability of the reported performance information in paragraphs xx of this report	2012/13	The CEO was tasked with ensuring oversight regarding predetermined objectives
5.2. Adjustment of material misstatements The Auditor-General identified no material misstatements in the annual performance report submitted for auditing. We did not identify any material findings on the usefulness and reliability of the reported performance information.		
NON-COMPLIANCE WITH LAWS AND REGULATIONS		
6. FINDINGS ON COMPLIANCE WITH LEGISLATION		
6.1. Financial statements, performance and annual reports 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.	2012/13	The CEO was tasked with ensuring oversight regarding the preparation of the annual financial statements
6.2. Expenditure management 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 Public Finance Management Act	2012/13	The CEO was tasked with ensuring oversight regarding expenditure management
6.3. Revenue management The account officer did not establish systems, procedures, 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 was tasked with ensuring oversight regarding revenue management
6.4. Procurement and contract management Goods and services with a transaction value of between R 2 000 and R 500 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of Treasury Regulation (TR) 16A6.1 and the requirement of Practice Note 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA	2012/13	Resolved
7. INTERNAL CONTROL		
7.1. Leadership The CEO does not adequately review the monthly reports or the financial statements and the 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.	2012/13	The Department takes notes of the Auditor-General's recommendation
7.2 The entity has 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.	2014/15	The Department takes notes of the Auditor-General's recommendation

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
<p>7.3 Financial and performance management The entity did not prepare regular, accurate and complete financial statements that are supported by reliable evidence and aligned to the financial reporting framework and this resulted in misstatements in the annual financial statement and annual performance report.</p> <p>Management did not ensure that staff members are adequately trained to apply proper procedures to facilitate sound record management.</p>	2012/13	The Department takes notes of the Auditor-General's recommendation
<p>7.4 Governance Inadequate risk management processes to identify and monitor risks relating to the achievement of financial and performance reporting objectives</p>	2012/13	Unresolved

APPROVAL

The Annual Financial Statements have been approved by the Accounting Officer.



T Lamati

Director-General of Labour

4. PERFORMANCE INFORMATION

Purpose: The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products.

The Employment Services requires the entity to:

- Facilitate supported employment
- Provide work opportunities for persons with disabilities
- Develop and implement programmes that promote employability of PWD including persons with permanent disabilities as defined in the Compensation of Occupational Injuries and Diseases Act
- Perform other functions as prescribed by the Minister.

SUPPORTED EMPLOYMENT ENTERPRISES

1. ALIGNMENT OF SERVICE DELIVERY OUTCOMES, DEPARTMENTAL OBJECTIVES AND SEE'S STRATEGIC OBJECTIVE

GOVERNMENT SERVICE DELIVERY OUTCOMES	STRATEGIC OBJECTIVE	SEE STRATEGIC OBJECTIVE
Outcome 4: Decent Employment through inclusive economic growth	Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding over the medium-term, and monitoring disability organisations on an on-going basis	Provide work opportunities for People with Disabilities

2. PERFORMANCE OF SEE'S PROGRAMME'S

SUPPORTED EMPLOYMENT ENTERPRISES									
STRATEGIC OBJECTIVE KEY OUTPUTS	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2014/2015	ACTUAL ACHIEVEMENT 2015/2016	ACTUAL ACHIEVEMENT 2016/2017	ACTUAL ACHIEVEMENT 2017/2018	PLANNED TARGET 2018/2019	ACTUAL ACHIEVEMENT 2018/2019	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/2019	COMMENTS ON THE DEVIATIONS
1.1 Provide work opportunities for persons with disabilities.	1.1.1 Number of additional persons with disabilities provided with work opportunities in the SEE by the end of March 2022	None	None	None	85 new persons with disabilities appointed from 01 April 2017 until 31 March 2018.	100 additional People with Disabilities provided with work opportunities in the SEE by end of March 2019	Achieved 100 additional PWDs provided with work opportunities by end of March 2019	None	N/A
	1.1.2 Percentage annual increase of sales revenue from goods and services by the end of March 2022	None	None	None	None	10% annual increase of sales revenue from goods and services by the end of March 2019	Achieved 16.59% Actual out of R72 059 698 against a target of R61 805 926	6.59% over-achievement	More invoices processed due to increased number of delivery notes received

5. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

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

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

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

The accounting officer acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the entity to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting officer has reviewed the entity's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 259 to 291, which have been prepared on the going concern basis, were approved by the accounting officer on 31 May 2019 and were signed on:



Accounting Officer

T. Lamati

6. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SUPPORTED EMPLOYMENT ENTERPRISES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the Supported Employment Enterprises set out on pages 259 to 292, which comprise statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the except for the possible effects of the matters described in the basis for qualified opinion section of my audit, financial statements present fairly, in all material respects, the financial position of the Supported Employment Enterprises as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR QUALIFIED OPINION

Cost of sales

3. I was unable to obtain sufficient appropriate audit evidence for costs of sales, as the entity did not maintain correct records to determine the costs of goods sold. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to costs of sales stated at R 169,222 million (2017/18: R145,496 million) in the financial statements..

Inventory

4. The entity did not correctly calculate the net realisable value of inventory in the statement of financial position in accordance with GRAP 12. As a result, I was unable to obtain sufficient appropriate audit evidence for the valuation of inventories for the current year and prior year. The entity's records did not permit the application of adequate alternative audit procedures. As a consequence, I was unable to determine whether any adjustments were necessary to inventory stated at at R 74, 820 million (2017/18: 78, 996 million) in the financial statements.

Property, plant and equipment

5. The entity did not assess the residual values and useful lives of assets at reporting date in accordance with GRAP 17 on property, plant and equipment. As a result, assets with a gross carrying amount of R6,7 million and still in use had R1 net carrying amount. Furthermore, the property, plant and equipment was not depreciated according to the depreciation policy as disclosed in the financial statements. As a consequence, I was unable to determine whether any adjustments were necessary with regard to:
 - » Cost of sales stated at R 169, 222 million (2017/18: R 145,496 million)
 - » Accumulated surplus/deficit stated at R121, 512 million (2017/18: R 139,894 million).

Provision

6. The entity did not split the provision between current and non-current on the financial statements, as required by GRAP 19, provisions, contingent liabilities and contingent assets. The effect on the financial statements was that the current year provision is overstated by R1,045 million and non-current is understated by 4,962 million.

Cash flow statement

7. The trading entity did not prepare an accurate and complete cash flow statements in accordance with GRAP 2 Cash flow statement. Consequently, I was unable to determine whether any adjustment were necessary to cash flow statement .

Services in kind

8. The entity did not disclose the services in kind in accordance with GRAP 23, revenue from non-exchange transactions. The recognition criteria was not complied with when recording the transactions. Consequently, I was unable to determine whether any adjustment was necessary to Services in kind.

Segment reporting

9. The entity did not include all assets and liability on segment reporting note to the financial statements, in accordance with GRAP 18. I was unable to confirm these figures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to segment reporting as stated in the financial statements.

CONTEXT FOR THE OPINION

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
11. I am independent of the entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

RESTATEMENT OF CORRESPONDING FIGURES

14. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2019.

RESPONSIBILITIES OF ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the trading entity or to cease operations, or there is no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**INTRODUCTION AND SCOPE**

19. 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 material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance
20. My procedures address the reported performance information, which must be based on the trading entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and

information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters

21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the trading entity for the year ended 31 March 2019:

OBJECTIVES	PAGES IN ANNUAL PERFORMANCE REPORT
Objective – Provide work opportunities for People with Disabilities	250 - 251

22. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete
23. The material findings with respect to the usefulness and reliability of the selected objectives are as follows:

OBJECTIVE – DEVELOP AND IMPLEMENT A PROGRAMME THAT PROMOTES THE EMPLOYABILITY OF PERSON WITH DISABILITIES

24. The strategic objective approved in the strategic plan was developed and implement programme that promote the employability of person with disabilities, however, the objective was excluded in the annual performance plan and annual performance report.

OTHER MATTERS

25. I draw attention to the matters below

Achievement of planned targets

26. Refer to the annual performance report on page 250 to 251 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a significant number of targets. This information should be considered in the context of the material findings on it.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Develop and implemented programme that promote the employability of person with disabilities. 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 reported above. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the trading entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings on compliance with specific matters in key legislations are as follows.

Annual Financial statements

30. 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.

Revenue management

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

OTHER INFORMATION

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

INTERNAL CONTROL DEFICIENCIES

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
37. There are inadequate reviews of financial statements by senior management and the finance department. The trading entity is also not adequately capacitated and lacks skills in financial reporting and cost accounting.
38. Proper development and adequate monitoring of the implementation of the action plan by the entity to address prior year findings were lacking. As a result, repeat material findings on financial statements and compliance with legislation and internal control deficiencies have been reported in the under review.
39. The entity did not prepare regular, accurate and complete financial statements that are supported by reliable evidence and aligned to the financial reporting framework. Management relied on the audit process to produce credible financial and performance reports.

Auditor-General

Auditor-General

Pretoria

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE A – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

40. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the trading entity’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trading entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Supported Employment Entities ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a trading entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

41. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
42. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

SOUTH AFRICA

LEGAL FORM OF ENTITY

TRADING PUBLIC ENTITY IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT (ACT 1 OF 1999)

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

MANUFACTURING OF TEXTILES, WOOD, METAL PRODUCTS AND OFFICE FURNITURE. SUPPLY OF LINEN AND PROTECTIVE CLOTHING

BUSINESS ADDRESS

221 MORELETA STREET
SILVERTON PRETORIA
0127

POSTAL ADDRESS

PRIVATE BAG X713
SILVERTON PRETORIA
0127

AUDITORS

AUDITOR-GENERAL OF SOUTH AFRICA

PREPARER

THE ANNUAL FINANCIAL STATEMENTS WERE INTERNALLY COMPILED BY:
SPHENI NGCONGO
CHIEF FINANCIAL OFFICER (CFO)

CHIEF EXECUTIVE OFFICER (ACTING)

S MOROTوبا

CHIEF FINANCIAL OFFICER

S NGCONGO

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

Figures in Rand	Note(s)	2019	2018 RESTATED*
Assets			
Current Assets			
Inventories	4	74 820 606	78 996 852
Receivables from exchange transactions	5	28 823 885	21 494 835
Receivables from non-exchange transactions	6	544 098	-
VAT receivable	7	221 862	824 321
Cash and cash equivalents	8	95 382 098	125 481 668
		<u>199 792 549</u>	<u>226 797 676</u>
Non-Current Assets			
Property, plant and equipment	3	28 449 322	24 988 460
TOTAL ASSETS		<u>228 241 871</u>	<u>251 786 136</u>
Liabilities			
Current Liabilities			
Finance lease obligation	9	382 477	309 789
Payables from exchange transactions	11	98 974 152	106 512 262
Deferred income	12	1 239 622	1 239 622
Provisions	10	5 965 000	3 280 000
		<u>106 561 251</u>	<u>111 341 673</u>
Non-Current Liabilities			
Finance lease obligation	9	167 830	550 308
TOTAL LIABILITIES		<u>106 729 081</u>	<u>111 891 981</u>
Net Assets			
Accumulated surplus		<u>121 512 790</u>	<u>139 894 155</u>

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

Figures in Rand	Note(s)	2019	2018 RESTATED*
Revenue from exchange transactions	13	72 059 698	61 805 925
Cost of sales	14	(169 222 554)	(145 496 171)
Gross deficit		(97 162 856)	(83 690 246)
Other income			
Canteen revenue		370 166	412 355
Commission received		40 577	45 408
Interest received	16	8 706 696	9 592 481
Transfers and sponsorships		136 779 000	141 307 000
		145 896 439	151 357 244
Expenses (Refer to page 6)		(67 831 455)	(56 919 516)
Operating (deficit) surplus	22	(19 097 872)	10 747 482
Finance costs	18	(190 434)	(149 560)
Inventories NRV movement	5	906 940	(1 510 921)
		716 506	(1 660 481)
(Deficit) surplus for the year		(18 381 366)	9 087 001

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

Figures in Rand	Note(s)	2019	2018 RESTATED*
Operating expenses			
Advertising		(3 847 397)	(3 411 658)
Allowance for debt impairment and impairment losses		(8 152 178)	(1 218 349)
Allowance for obsolete inventory		(2 467 317)	1 342 386
Auditors remuneration	22	(1 470 377)	(1 596 278)
Bank charges		(219 777)	(260 889)
Canteen expenses		(695 731)	(711 127)
Cleaning		(18 511)	(509 465)
Consulting and professional fees		(2 116 221)	(1 659 451)
Consumables		(28 263)	(36 169)
Depreciation, amortisation and impairments		(214 785)	(580 240)
Employee costs		(38 916 889)	(34 564 883)
Entertainment		(50 673)	(90 497)
IT expenses		(1 609 634)	(724 976)
Internet services		(514 699)	(673 292)
Lease rentals on operating lease		(94 368)	24 113
Loss on disposal of assets		(104 880)	(106 402)
Loss on exchange transaction		(733 800)	-
Motor vehicle expenses		(9 389)	(37 390)
Occupational health and safety expenses		-	(19 187)
Other consulting and professional fees		-	(1 390)
Other expenses		-	(8 756)
Printing and stationery		(262 480)	(371 763)
Refuse		-	(5 149)
Repairs and maintenance		(415 639)	(1 299 163)
Security		-	(4 259)
Software expenses		(184 017)	(398 474)
Staff welfare		(335 816)	(295 860)
Telephone and fax		(65 725)	(41 044)
Training		(1 250 910)	(1 134 556)
Transport and freight		(305)	(5 299 763)
Travel - local		(3 812 947)	(3 167 051)
Utilities		-	(58 534)
Workman's compensation		(238 727)	-
		(67 831 455)	(56 919 516)

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2019

Figures in Rand	ACCUMULATED SURPLUS	TOTAL NET ASSETS
Balance at 01 April 2017	130 806 741	130 806 741
Changes in net assets		
Surplus for the year	9 087 414	9 087 414
Total changes	<u>9 087 414</u>	<u>9 087 414</u>
Opening balance as previously reported	139 075 851	139 075 851
Adjustments		
Prior year adjustments refer to note 29	818 305	818 305
Balance at 01 April 2018	139 894 156	139 894 156
Changes in net assets		
Deficit for the year	(18 381 366)	(18 381 366)
TOTAL CHANGES	<u>(18 381 366)</u>	<u>(18 381 366)</u>
Balance at 31 March 2019	<u>121 512 790</u>	<u>121 512 790</u>

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Figures in Rand	Note(s)	2019	2018 RESTATED*
Cash flows from operating activities			
Receipts			
Sale of goods and services		56 034 372	58 139 543
Grants and transfers		136 779 000	141 307 000
Interest income		8 706 696	9 592 481
Other receipts		410 743	-
		<u>201 930 811</u>	<u>209 039 024</u>
Payments			
Employee costs		(36 231 889)	(119 322 776)
Suppliers		(189 192 417)	(134 369 756)
Finance costs		(190 432)	(24 663)
		<u>(225 614 738)</u>	<u>(253 717 195)</u>
Net cash flows from operating activities	24	<u>(23 683 927)</u>	<u>(44 678 171)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(6 329 557)	(22 881 363)
Proceeds from sale of property, plant and equipment	3	(36 468)	-
Non - cash movements in property, plant and equipment		-	248 840
Other cash item		260 172	-
		<u>(6 105 853)</u>	<u>(22 632 523)</u>
Cash flows from financing activities			
Finance lease payments		(309 790)	667 537
Net increase/(decrease) in cash and cash equivalents		<u>(30 099 570)</u>	<u>(66 643 157)</u>
Cash and cash equivalents at the beginning of the year		<u>125 481 668</u>	<u>192 124 825</u>
Cash and cash equivalents at the end of the year	8	<u>95 382 098</u>	<u>125 481 668</u>

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

Figures in Rand	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	121 818 646	-	121 818 646	70 813 499	(51 005 147)	36
Rendering of services	1 044 884	-	1 044 884	1 246 199	201 315	36
Commissions received	57 031	-	57 031	40 577	(16 454)	36
Canteen sales	1 229 167	500 000	1 729 167	370 166	(1 359 001)	36
Interest received	18 278 669	-	18 278 669	8 706 696	(9 571 973)	36
Total revenue from exchange transactions	142 428 397	500 000	142 928 397	81 177 137	(61 751 260)	
Revenue from non-exchange transactions						
Transfer revenue						
Transfers and sponsorships	146 779 000	(10 000 000)	136 779 000	136 779 000	-	36
TOTAL REVENUE	289 207 397	(9 500 000)	279 707 397	217 956 137	(61 751 260)	
Expenditure						
Employee costs	(156 826 063)	-	(156 826 063)	(128 227 045)	28 599 018	36
Depreciation and amortisation	(2 726 893)	-	(2 726 893)	(3 250 730)	(523 837)	36
(Impairment loss)/ Reversal of impairments	-	-	-	251 442	251 442	36
Finance costs	(80 381)	-	(80 381)	(190 434)	(110 053)	36
Lease rentals on operating lease	(1 000 000)	-	(1 000 000)	(94 368)	905 632	36
Allowance for debt impairment and impairment losses	-	-	-	(8 152 178)	(8 152 178)	36
Repairs and maintenance	(4 000 000)	4 000 000	-	(3 035 811)	(3 035 811)	36
General expenses	(125 074 060)	(9 122 131)	(134 196 191)	(95 382 294)	38 813 897	36
Total expenditure	(289 707 397)	(5 122 131)	(294 829 528)	(237 861 178)	56 968 350	
Operating deficit	(500 000)	(14 622 131)	(15 122 131)	(19 905 041)	(4 782 910)	
Loss on disposal of assets and liabilities	-	-	-	(104 880)	(104 880)	36
Inventories reversals	-	-	-	906 940	906 940	36
	-	-	-	802 060	802 060	
Deficit before taxation	(500 000)	(14 622 131)	(15 122 131)	(19 102 981)	(3 980 850)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(500 000)	(14 622 131)	(15 122 131)	(19 102 981)	(3 980 850)	

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

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

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

A summary of the significant accounting policies are disclosed below. These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. All figures are rounded to the nearest rand.

1.2 Significant judgements and sources of estimation uncertainty

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

Receivables

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

The impairment for receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to the lower of cost or net realisable value is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus or deficit

Impairment testing

The recoverable amounts of potentially impaired cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of non-cash generating assets

The entity reviews and tests the carrying value of cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rate.

ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

Useful lives of property, plant and equipment and other assets

The entity's management annually determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the entity. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Post-retirement benefits and other long-term benefits

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long-term benefit obligations. In determining the appropriate discount rate, the entity considers the market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the entity current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 18 and 11.

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit.

ACCOUNTING POLICIES (CONTINUED)

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

Item	Depreciation method	Average useful life
Buildings	Straight line	10 - 40 years
Appliances	Straight line	5-8 years
Computer equipment	Straight line	3-5 years
Furniture and fittings	Straight line	12-15 years
Leased assets	Straight line	3 years
Office equipment	Straight line	8-10 years
Plant and machinery	Straight line	10-15 years

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

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

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

1.4 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.5 Financial instruments

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

- Cash
- A residual interest of another entity; or
 - » A contractual right to:
 - » Receive cash or another financial asset from another entity; or
 - » Exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

ACCOUNTING POLICIES (CONTINUED)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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

- The entity designates at fair value at initial recognition; or
- Are held for trading.

Classification

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

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

Gains and losses

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

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

ACCOUNTING POLICIES (CONTINUED)

Impairment and uncollectibility of financial assets

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.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge; or
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

ACCOUNTING POLICIES (CONTINUED)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Value-added Tax (VAT)

The entity is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991

1.8 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

- An entity's decision to terminate an employee's employment before the normal retirement date
- An employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include:

- Wages, salaries and social security contributions
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service
- Bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service
- Non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund
- As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

Sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity accounts for the plan as if it was a defined contribution plan.

ACCOUNTING POLICIES (CONTINUED)

1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits. Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27

1.10 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

- The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest and dividends

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

1.11 Revenue from non-exchange transactions

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

Recognition

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

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

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

ACCOUNTING POLICIES (CONTINUED)

Measurement

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

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

Services in-kind

Except for financial guarantee contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period, refer to note 35.

1.12 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all deficits of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 Borrowing costs

Borrowing costs are interest and other expenses incurred by the entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

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

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

Operating leases - lessee

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

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Any contingent rents are expensed in the period in which they are incurred.

1.16 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments. Refer to note 26.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services)
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

ACCOUNTING POLICIES (CONTINUED)

1.17 Fruitless and wasteful expenditure

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

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

For fruitless and wasteful expenditure disclosure note in the financial statements refer to note 33.

1.18 Irregular expenditure

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

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

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements is updated on the register and is disclosed in the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end is updated on the register and is disclosed in the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. When liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

For irregular expenditure disclosure note in the financial statements refer to note 34.

1.19 Deferred income

Revenue received from funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised as deferred income.

1.20 Related parties

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

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

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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

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

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

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

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

ACCOUNTING POLICIES (CONTINUED)

1.21 Events after reporting date

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

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

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2019 or later periods.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 1 April 2020.

The entity expects to adopt the amendment for the first time in the 2021 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements

GRAP 106 (as amended 2016): Transfers of functions between entities not under common control

Amendments to the Standard of GRAP on Transfer of functions between entities not under common control resulted from changes made to IFRS 3 on Business combinations (IFRS 3) as a result of the IASB's amendments on annual improvements to IFRSs 2010 – 2012 Cycle issued in December 2013.

The most significant changes to the Standard are:

- IASB amendments: To require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting period.

The effective date of the amendment is for years beginning on or after 01 April 2019.

The entity expects to adopt the amendment for the first time in the 2020 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- Identifying related party relationships and transactions;
- Identifying outstanding balances, including commitments, between an entity and its related parties;
- Identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- Determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and separate financial statements. This standard also applies to individual annual financial statements.

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

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - » has control or joint control over the reporting entity;
 - » has significant influence over the reporting entity;
 - » is a member of the management of the entity or its controlling entity.

- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management
- Related parties
- Remuneration
- Significant influence.

The standard sets out the requirements, inter alia, for the disclosure of:

- Control
- Related party transactions
- Remuneration of management.

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal- agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers: definitions, identifying whether an entity is a principal or agent, accounting by a principal or agent, presentation, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 1 April 2019.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENT

Figures in Rand

PROPERTY, PLANT AND EQUIPMENT	2019			2018		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Land and building	2 273 867	(101 559)	2 172 308	2 273 867	(37 538)	2 236 329
Plant and machinery	33 866 702	(11 678 985)	22 187 717	31 081 626	(11 095 107)	19 986 519
Furniture and fittings	2 624 523	(1 555 429)	1 069 094	2 406 754	(1 493 033)	913 721
Office equipment	1 196 503	(728 076)	468 427	793 501	(674 239)	119 262
Computer equipment	3 822 947	(2 428 468)	1 394 479	2 598 310	(1 922 627)	675 683
Appliances	953 714	(267 323)	686 391	404 233	(160 123)	244 110
Leased assets	1 025 789	(554 883)	470 906	5 557 549	(4 744 713)	812 836
Total	45 764 045	(17 314 723)	28 449 322	45 115 840	(20 127 380)	24 988 460

SUPPORTED EMPLOYMENT ENTERPRISES ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfer	Impairment loss	Depreciation	Impairment loss	Impairment reversal	Total
Buildings	2 236 329	-	-	-	-	-	(64 021)	-	2 172 308
Plant and machinery	19 986 519	3 967 854	(62 958)	(1 394)	-	(1 922 716)	-	220 412	22 187 717
Furniture and fittings	913 721	260 173	(3 163)	(87)	-	(133 663)	-	32 113	1 069 094
Office equipment	119 262	229 770	(53)	191 187	(201)	(71 538)	-	-	468 427
Computer equipment	675 683	1 298 505	(2 177)	-	(6)	(577 526)	-	-	1 394 479
Appliances	244 110	573 255	(61)	-	(876)	(130 037)	-	-	686 391
Leased assets	812 836	-	-	-	-	(341 930)	-	-	470 906
	24 988 460	6 329 557	(68 412)	189 706	(1 083)	(3 177 410)	(64 021)	252 525	28 449 322

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Other movements	Impairment loss	Depreciation	Total
Buildings	-	2 273 867	-	-	-	(37 538)	2 236 329
Plant and machinery	3 620 349	18 083 262	(308 321)	96 024	(235 361)	(1 269 434)	19 986 519
Furniture and fittings	452 452	666 915	(32 682)	(29 768)	(32 209)	(110 987)	913 721
Office equipment	73 625	76 824	(5 914)	(1 343)	-	(23 930)	119 262
Computer equipment	371 329	500 655	(7 234)	235 540	-	(424 607)	675 683
Appliances	45 120	222 455	(753)	2 660	-	(25 372)	244 110
Leased assets	63 489	1 057 385	(2 523)	-	-	(305 515)	812 836
	4 626 364	22 881 363	(357 427)	303 113	(267 570)	(2 197 383)	24 988 460

Land and building

The land whereby the Human Resource building (Asset number 020514) was constructed, belongs to the Department of Public works

Repairs and maintenance expenditure

The repairs and maintenance expenditure incurred in relation to Property, plant and equipment is R2 620 172 (2018: R4 109 517)

Assets subject to finance lease (Net carrying amount)

Leased assets – office equipment

470 906

812 836

Figures in Rand

3. Property, plant and equipment (continued)

Impairment of assets

Property, plant and equipment - Durban factory has been impaired as follows:

Plant and machinery	(16 343)	(235 361)
Furniture and fittings	2 761	(32 209)
Computer equipment	(2 949)	-
Office equipment	(201)	-
Appliances	(876)	-
	(17 608)	(267 570)

There was a flood in the greater Durban due to heavy rains and storm. This affected one of Supported Employment Enterprises factories, the Durban factory. The Durban factory was issued with a prohibition notice as it was unsafe for work of any kind to be conducted in certain sections of the factory. Management could not access the factory to physically verify the conditions of the assets in the areas where the prohibition notice was issued. The assets from Wood and Steel department were mostly affected by the flood. A full extent of damages on assets would be determined once the factory repairs have been concluded.

Remaining assets

All assets were verified and useful lives were assessed. Assets were identified to be written off, but no assets were identified to be impaired, with the exception of Durban factory due to the flood.

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

4. Inventories

Raw materials, components	60 490 542	58 045 191
Work in progress	4 515 213	6 218 541
Finished goods	13 516 365	16 874 256
	<u>78 522 120</u>	<u>81 137 988</u>
Allowance for obsolete stock	(603 982)	(630 215)
Inventory write down to net realisable value	(3 097 532)	(1 510 921)
	<u>74 820 606</u>	<u>78 996 852</u>

4.1 Reconciliation for allowance of obsolete stock

Opening balance	630 215	1 972 601
Movement of the year	2 467 317	(1 342 386)
	<u>3 097 532</u>	<u>630 215</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, as determined using estimation techniques.

In addition to the above impairment was a write down of inventory to the net realisable value, as the cost exceeded the net realisable value. The current year write off is R 603 982 (2018: R1 510 921) which is recognised in the statement of financial performance. A significant cost component contained in finished goods is labour.

5. Receivables from exchange transactions

Trade receivables	27 800 579	17 230 277
Sundry receivables	1 023 306	4 264 558
	<u>28 823 885</u>	<u>21 494 835</u>

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Other receivables

Pre - payments	1 014 673	4 100 801
Staff debtors	8 634	163 756
	<u>1 023 307</u>	<u>4 264 557</u>

Trade receivables**Ageing of gross trade receivables**

Current (0 - 30 days)	26 821 699	7 567 620
31 - 60 Days	1 170 781	3 828 518
61 - 90 Days	496 848	2 296 350
91 - 120 Days	2 071 317	1 242 260
Greater than 120 days	14 169 250	10 650 177
Less allowance for impairment		
Impairment	(16 929 316)	(9 028 693)
	<u>27 800 579</u>	<u>16 556 232</u>

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2019, R 27 795 475 (2018: R 13 692 488) were past due but not impaired.

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

Current (0 - 30 days)	26 420 491	7 567 620
31 - 60 days	878 135	3 828 518
61 - 90 days	496 848	2 296 350
	<u>27 795 475</u>	<u>13 692 488</u>

Trade and other receivables impaired

As of 31 March 2019, trade and other receivables of R 16 929 316 (2018: R 9 857 518) were impaired and provided for. The amount of the allowance was R (16 929 316) as of 31 March 2019 (2018: R (9 028 693)).

The ageing of these receivables are as follows:

91 - 120 Days	2 071 317	1 242 260
Greater than 120 Days	14 169 250	10 650 177

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	9 028 693	9 190 591
Increase / decrease in allowance for impairment	7 900 623	666 927
Amounts written off as uncollectable	-	(828 825)
	<u>16 929 316</u>	<u>9 028 693</u>

Figures in Rand

6. Receivables from non-exchange transactions

Other receivables from non-exchange	544 098	-
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7. VAT receivable

VAT	221 862	824 321
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8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	25 318	25 596
Bank balances	95 356 780	125 456 072
	<u>95 382 098</u>	<u>125 481 668</u>

Cash and cash equivalents held by the entity that are not available for use by the entity	1 239 622	1 239 622
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The entity holds the amount in its call account which relates to certain conditional grants from Department of Labour for which the conditions of recognition have not been yet met. There is also a deferred income disclosed for for the same amount.

Except for cash and cash equivalents not available for use, no other cash and cash equivalents are held as security for liabilities.

9. Finance lease obligation**Minimum lease payments due**

- within one year	466 416	466 416
- in second to fifth year inclusive	179 217	645 634
	645 633	1 112 050
less: future finance charges	(95 326)	(251 953)
Present value of minimum lease payments	550 307	860 097
Present value of minimum lease payments due		
- within one year	382 477	309 789
- in second to fifth year inclusive	167 830	550 308
	550 307	860 097
Non-current liabilities	167 830	550 308
Current liabilities	382 477	309 789
	550 307	860 097

The entity leased certain of its office equipment under finance lease. The entity has an option to acquire certain leased assets at the termination of the lease.

The average lease term was between 3-5 years and the average effective borrowing rate was 10%. (2018: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to Note 3.

Figures in Rand**10. Provisions****Reconciliation of provisions - 2019**

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	TOTAL
Provision for long service allowance	3 280 000	4 047 500	(1 362 500)	5 965 000

Reconciliation of provisions - 2018

	OPENING BALANCE	UTILISED DURING THE YEAR	TOTAL
Provision for long service allowance	932 134	2 347 866	3 280 000

The provision for long service allowance is reviewed at year - end and adjusted to reflect the current best estimates.

In the prior year the provision for long service allowance was calculated at one Rand (R1,00) for every week worked. Accumulated long service was payable when the term of long service has been reached.

- The long service award was amended in July 2016, effective 01 April 2017 and is as follows:
- For a period of five years an award equivalent to R2 500.
- For a period of 10 years an award equivalent to R5 000.
- For a period of 15 years an award equivalent to R7 500.
- For a period of 20 years an award equivalent to R10 000
- For a period of 25 years an award equivalent to R12 500.
- For a period of 30 - 40 years an award equivalent to R15 000.

11. Payables from exchange transactions

Trade payables	4 782 422	2 047 050
Income received in advance	68 112 449	87 551 407
Stabilisation fund	106 541	106 541
Accrued leave pay	2 706 045	2 327 660
Accruals	23 266 695	14 479 604
	98 974 152	106 512 262

Accrued leave pay is reviewed bi-annually and adjusted to reflect the current best estimates.

Stabilisation Fund: During 2010, the entity received a refund of R3 210 268 from Civil Pensions Stabilisation Account (CPSA) for Stabilisation Fund contributions collected from Temporary Employees Pension Fund members after 1 July 1999 plus interest. The employer contributed (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 the Stabilisation Fund account of the entity.

Income received in advance is made up of orders that have been paid in advance as some of the customers pay the entity 50% up front for their orders and in other cases the full amount of the order.

12. Deferred income

Closing balance	1 239 622	1 239 622
This closing balance relates to the following projects:		
Business case project	111 325	111 325
Other special project	1 128 297	1 128 297
	<u>1 239 622</u>	<u>1 239 622</u>

13. Revenue

Sale of goods	70 813 499	61 134 301
Rendering of services	1 246 199	671 624
	<u>72 650 966</u>	<u>61 214 658</u>

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	70 813 499	61 134 301
Rendering of services	1 246 199	671 624
	<u>72 059 698</u>	<u>61 805 925</u>

The amount included in revenue arising from non-exchange transactions is as follows

Transfer revenue

Department of labour transfer	<u>136 779 000</u>	<u>141 307 000</u>
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14. Cost of sales

Opening inventory	79 304 457	42 936 282
Purchases	39 228 578	70 131 175
Labour cost	89 267 656	84 869 712
Depreciation and impairment	2 825 760	1 863 791
Manufacturing overheads	31 905 413	24 692 063
NRV Write down	603 982	1 510 921
Prior year obsolete stock reversal	(630 215)	(1 972 601)
Current year obsolete stock (Raw Materials)	3 097 532	630 215
Separately disclosed movement in Obsolete stock (SOCI)	(2 467 317)	1 342 386
Separately disclosed movement in NRV write down (SOCI)	906 940	(1 510 921)
Closing inventory	(74 820 607)	(79 304 457)
	<u>169 222 179</u>	<u>145 188 566</u>

15. Other income

Canteen revenue	370 166	412 355
Commissions received	40 577	45 408
	<u>410 743</u>	<u>457 763</u>

16. Interest earned

Interest revenue

Bank	7 885 286	8 990 475
Interest earned on outstanding receivables	821 410	602 006
	<u>8 706 696</u>	<u>9 592 481</u>

Figures in Rand	2019	2018
17. Employee related costs		
Salaries, allowances and bonuses	128 073 782	118 911 173
Casual wages	153 263	523 422
Less: Employee costs included in cost of sales	(89 310 156)	(84 869 712)
	38 916 889	34 564 883
Mr S Nondwangu - Chief Executive Officer		
Total annual remuneration	1 189 338	1 127 334
The contract of the CEO Mr S Nondwangu came to an end on 31 December 2018. The above totals represent salary related costs for the period 1 April 2018 up until 31 December 2018. The acting CEO Mr Morotoba was appointed on 1 January 2019, however he is not receiving any acting allowance.		
Mr S Ngcongco - Chief Financial Officer		
Total annual remuneration	1 005 063	948 174
Ms Gladys Manamela - Director: Operations		
Total annual remuneration	1 082 754	1 021 467
Ms Ella Ntshabele - Director: Governance and Assurance		
Total annual remuneration	1 098 996	1 021 467
Ms Kefilwe Tselane - Director: HRM and Special Projects		
Total annual remuneration	1 098 996	1 036 788
Ms KM Mongane - Director: Business Development		
Total annual remuneration	1 005 063	-
The above salary related costs represent the period from the appointment date of 1 September 2018 to 31 March 2019		
18. Employee benefit obligations		
Finance leases		
Other interest paid		
Pension fund	4 715 603	4 039 514
Provident fund	5 598 349	5 138 474
The entity started participating in the Textile Industry Provident Fund with effect from 1 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%		
The employee retirement benefit is a multi-employer plan and therefore only the contributions made towards the plan are disclosed		
19. Services in kind		
Administrative salaries - Department of Labour	4 977 384	4 150 468
Internal audit - Department of Labour	710 156	358 115
Capital expenditure - Department of Labour	2 567 178	1 397 783
	8 254 718	5 906 366

The entity receives the benefit to use the land and buildings from the Department of Labour at no cost.

Figures in Rand	2018	2017
20. Finance costs		
Finance leases	156 627	124 897
Other interest paid	33 807	24 663
	190 434	149 560
21. Allowance for debt impairment and impairment losses		
Contributions to debt impairment provision	7 900 623	666 927
Bad debts written off	251 555	551 422
	8 152 178	1 218 349
22. Auditors' remuneration		
• Fees	1 470 377	1 596 278
23. Operating (deficit) surplus		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	94 368	63 276
Loss on sale of property, plant and equipment	(104 880)	(106 402)
Impairment on property, plant and equipment	(251 442)	267 570
Depreciation on property, plant and equipment	3 250 730	2 197 382
Employee costs	128 227 045	119 434 595
24. Cash used in operations		
(Deficit) surplus	(18 381 366)	9 087 414
Adjustments for:	2 981 259	2 197 382
Depreciation and amortisation		
Loss on sale of assets and liabilities	104 880	106 402
Finance costs - Finance leases	-	124 897
Non cash transfers - assets Impairment reversals	(251 442)	(641 307)
Debt impairment	8 152 178	(666 926)
Bad debts written off	-	828 825
Movements in provisions	2 685 000	2 347 866
Inventories NRV movement	(906 940)	-(1 074 816)
Impairment/(reversal) of impairment of assets (including inventory)	-	-
Movement in accrual for leave pay	-	(111 819)
Write down inventory	2 467 317	2 254 633
Changes in working capital:		
Inventories	2 426 162	(36 368 176)
Receivables from exchange transactions	(15 481 228)	(3 532 878)
Receivables from non - exchange transactions	(544 098)	-
Payables from exchange transactions	(7 538 108)	(18 649 118)
VAT	602 459	(580 550)
	(23 683 927)	(44 678 171)
	-	-

Figures in Rand	2019	2018
25. Financial instruments disclosure		
Categories of financial instruments 2019	AT AMORTISED COST	TOTAL
Financial assets		
Trade and other payables from exchange transactions	28 823 885	28 823 885
Cash and cash equivalents	95 382 098	95 382 098
	124 205 983	124 205 983
	AT AMORTISED COST	TOTAL
Financial liabilities		
Trade and other payables from exchange transactions	72 894 871	72 894 871
Finance lease obligation	550 307	550 307
	73 445 178	73 445 178
Categories of financial instruments 2018	AT AMORTISED COST	TOTAL
Financial assets		
Trade and other payables from exchange transactions	21 013 077	21 013 077
Cash and cash equivalents	125 481 668	125 481 668
	146 494 745	146 494 745
	AT AMORTISED COST	TOTAL
Financial liabilities		
Trade and other payables from exchange transactions	89 598 457	89 598 457
Finance lease obligation	860 097	860 097
	93 738 554	93 738 554
26. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
Finance lease contracts	550 308	860 097
Operating lease	143 046	226 552
Open purchase order	69 070 755	19 490 514
	69 764 109	20 577 163
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	95 364	95 364
- in second to fifth year inclusive	47 682	143 046
TOTAL	143 046	238 410

Operating lease payments represent rentals payable by the entity for certain for the motor vehicle leased. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

27. Contingencies Contingent liabilities
The entity has no contingent liabilities as at 31 March 2019.

Contingent assets
The entity has no contingent assets as at 31 March 2019.

Figures in Rand**28. Related parties****Relationships****Member****Controlling entity****Entities under common contro****2019****2018**

Refer to accounting officer's
responsibility and approval
Department of Labour

Commission for Conciliation, Mediation
and Arbitration (CCMA)
Compensation Fund (CF)
National Economic Development and
Labour Council (NEDLAC)
Productivity South Africa (PSA)
Unemployment Insurance Fund (UIF)

Members of key management

Refer to note

Related party balances**Amounts included in Trade receivables regarding related parties**

Commission for Conciliation, Mediation and Arbitration (CCMA)

191 640 75 447

Compensation Fund (CF)

3 197 208 4 358 651

Department of Labour

348 516 329 874

Unemployment Insurance Fund (UIF)

30 140 692 044

Related party transactions**Sales to related parties**

Commission for Conciliation, Mediation and Arbitration (CCMA)

457 884 1 167 677

Compensation fund (CF)

4 235 711 4 422 947

Department of Labour

3 147 926 1 348 011

Unemployment Insurance Fund (UIF)

581 167 2 506 113

Transfer received from related parties

Department of Labour

136 779 000 141 307 000

Figures in Rand

2019

2018

29. Prior period error

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

Statement of financial position

2018

	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Inventories	79 859 482	(862 630)	78 996 852
Receivables from exchange transactions	21 013 077	481 758	21 494 835
VAT receivable	1 458 520	(634 199)	824 321
Property, plant and equipment	24 988 048	411	24 988 459
Accumulated surplus	(140 712 459)	818 305	(139 894 154)
Payables from exchange transactions	(106 708 617)	196 355	(106 512 262)
	(120 101 949)	-	(120 101 949)

Statement of financial performance

2018

Note	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Consumables			
Bad debts written - off	36 169	(4 068)	32 101
Sales	-	551 422	551 422
Inventory write - off	61 214 658	(591 268)	61 805 926
Cost of Sales	955 896	555 025	1 510 921
Depreciation	145 188 566	307 605	145 496 171
	1 863 791	(411)	1 863 380
Surplus for the year	209 259 080	818 305	211 259 921

During the financial year, the following errors were noted. All errors effecting periods before 2018/9 was corrected retrospectively from the earliest prior period presented. Errors that occurred during the current year were corrected in the current year.

The following prior period error adjustments were made:

Error 1

Net Realisable Value (NRV) calculation was incorrectly done as no NRV calculation was done for materials and work in progress and the selling costs of finished goods were not included in NRV calculation.

Statement of financial position

Inventories	--	(555 025)
Accumulated surplus	-	555 025
	-	-

Figures in Rand	2019	2018
Prior period error (continued)		
Error 2		
Prior period error which resulted from a transaction that remained unprocessed on the SYSPRO system in the 2017/18 financial year.		
Statement of financial performance		
Consumables	-	196 355
Statement of financial position		
GRN Account		(196 355)
Error 3		
Invoices were issued in the previous financial year , and the revenue was incorrectly recorded in the current financial year.		
Receivables from exchange transactions	-	674 045
Sales	-	(591 268)
VAT	-	(82 777)
	-	-
Cost of sales	-	307 605
Inventory	-	(307 605)
	-	-
Error 4		
The correction is due to the allocation of consumables not yet accounted for in the 2017/18 Financial Year		
Statement of financial position		
Receivables from exchange transactions	-	(192 287)
Statement of financial performance		
Consumables		192 287
Error 5		
During the current financial year, it was identified that there were assets that were over depreciated with R411, which resulted with assets with a negative net asset value.		
Statement of financial position		
Property,plant and equipment	-	411
Statement of financial performance		
Depreciation : Plant and machinery	-	(395)
Depreciation : Furniture and fittings		(16)
	-	(411)
Error 6		
During the current financial year , it was identified that a refund from SARS (South African Revenue Services) due to the entity could not be obtained. This is due to the limited supporting documents. The refund due is written-off		
Statement of financial position		
VAT		(551 422)
Statement of financial performance		
Bad debts - written off		551 422

Figures in Rand

2019

2018

30. Risk management**Financial risk management**

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

The entity's 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.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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 the entity

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables consist mainly of government departments of which surety vests in the National Treasury for any such debts owing. Other receivables comprise private sector trade debtors and staff debtors.

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

Financial instrument	2019	2018
Receivables from exchange transactions	28 823 885	21 013 077
Cash and cash equivalents	95 382 098	125 481 668

Market risk Interest rate risk**Interest rate risk**

Interest rate risk is defined as the risk that the fair value of future cashflows associated with a financial instrument will fluctuate in the amount as a result of market interest rate changes. There were no change in the entity's interest rate risk management policy during the current financial year.

The entity's 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 receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying penalty charges," demand for payment" and, as last resort, "handed over for collection", which the procedure is applicable in terms of entity debtors management policy.

All trade receivables and other receivables are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of receivables is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

As the entity has no significant interest rate 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.

Figures in Rand	2019	2018
31. Going concern		
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business		
32. Events after the reporting date		
No events after the reporting date had occurred.		
33. Fruitless and wasteful expenditure		
Opening balance	235 261	53
Add: Fruitless and wasteful expenditure - current year	33 457	237 302
Less: Amounts condoned	-	(2 094)
	268 718	235 261
Details of fruitless and wasteful expenditure		
Interest on overdue supplier accounts	33 457	24 663
Penalties on SARS returns	-	156 139
Material losses due to theft	-	56 500
	33 457	237 302
34. Irregular expenditure		
Opening balance	3 513 339	1 999 968
Add: Irregular expenditure - current year	295 809	1 513 371
Less: Amounts condoned	(3 809 148)	-
	-	3 513 339

35. Segment information**General information****Identification of segments**

The entity is organised and reports to management on the basis of the geographical areas it operates in being: Gauteng, Kwazulu Natal, North West, Western Cape, Northern Cape, Eastern Cape and Free State. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

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

Aggregated segments

The entity may operate various factories within each Province. Segments were aggregated on the basis of the Province they are located in as the factories produce similar products.

Types of goods and/or services by segment

The segments all produce textile, wood and steel products that are sold to other government departments and entities as well as the general public and private sector

Figures in Rand

35. Segment information (continued)

Segment surplus or deficit, assets and liabilities
2019

	Kwazulu Natal	Gauteng	Eastern Cape	Western Cape	Northern Cape	Free State	North West	Admin	Total
Revenue									
Revenue from exchange transactions	4 076 351	18 048 987	25 734 363	15 037 464	3 611 534	4 229 987	1 308 272	12 740	72 059 698
Other income	24 379	113 751	-	232 036	-	-	-	8 967 512	9 337 678
the Department subsidy	-	-	-	-	-	-	-	136 779 000	136 779 000
Total segment revenue	4 100 730	18 162 738	25 734 363	15 269 500	3 611 534	4 229 987	1 308 272	145 759 252	218 176 376
Entity's revenue									218 176 376
Expenditure									
Manufacturing overheads	20 455 338	52 737 399	34 263 505	36 505 055	9 508 742	9 806 022	6 195 353	-	169 471 414
Admin costs	89 955	1 131 924	80 286	316 889	10 649	15 653	18 165	65 266 180	66 929 701
Finance lease interest	-	-	-	-	-	-	-	156 627	156 627
Total segment expenditure	20 545 293	53 869 323	34 343 791	36 821 944	9 519 391	9 821 675	6 213 518	65 422 807	236 557 742
Total segmental surplus/ (deficit)									(18 381 366)
Assets									
Property, plant and equipment	-	-	-	-	-	-	-	27 960 384	27 960 384
Leased assets	-	-	-	-	-	-	-	470 906	470 906
Inventory	13 671 527	27 423 298	14 184 210	15 579 994	4 378 467	1 765 603	1 743 438	(3 370 905)	75 375 632
Trade and other receivables	-	-	-	-	-	-	-	29 367 984	29 367 984
Cash and cash equivalents	-	-	-	-	-	-	-	95 382 097	95 382 097
Total segment assets	13 671 527	27 423 298	14 184 210	15 579 994	4 378 467	1 765 603	1 743 438	149 810 466	228 557 003
Total assets as per Statement of financial Position									228 557 003
Liabilities									
Trade and other payables	-	-	-	-	-	-	-	91 129 520	91 129 520
Provisions	-	-	-	-	-	-	-	15 377 700	15 377 700
Total segment liabilities	-	-	-	-	-	-	-	106 507 220	106 507 220
Total liabilities as per Statement of financial Position									106 507 220

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

Measurement of segment surplus or deficit, assets and liabilities**Basis of accounting for transactions between reportable segments**

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

36. Budget differences**Material differences between budget and actual amounts****Sale of goods**

The budgeted sales amount amounted to R121 million for the year to date. The entity has however only managed to generate R72 million in terms of sales as at the end of March 2019. The reason for the R72 million year to date variance is attributable to the dispute with the ECDBE. The budget assumption was for the inventories to be delivered and risks and rewards transferred by the reporting period hence the high inventories on hand at year end and at the reporting date. The dispute has been resolved and deliveries were made.

Interest received

The year to date variance is due to budget cuts that were effected after the budget was finished. These cuts have been implemented in the actual operational subsidy transferred but not in the budget. A revised budget that takes into account the R10 million budget cut has been prepared, submitted and approved by the Accounting Officer.

Rendering of services

During the current financial year, the entity received more orders for CMT (cut make and trim), which lead to an increase in the revenue generated for the rendering of services.

Commission

The decrease is due to the number of beneficiaries the entity made payments to the financial institution on behalf of the employees.

Canteen revenue

During the current financial year, there were less sales in the canteen due to the low number of employees buying from the canteen.

Personnel

The variance in the employee obligation is due to vacancies open, there are posts still yet to be filled by the organisation.

Depreciation

The difference in the depreciation in the current year, is due to the increase in additions and disposals of assets throughout the year.

Finance cost

The entity incurred more interest than anticipated, this is due to the interest charges raised from suppliers and external parties.

Operating lease

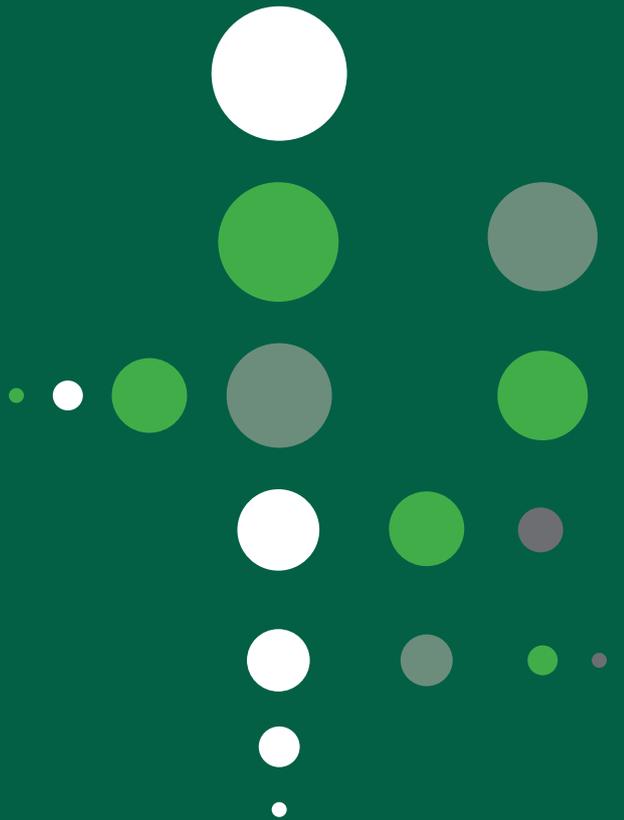
The entity only had the lease agreement concerning the vehicle used during the financial year. No further or additional operating leases were committed.

Repairs and maintenance

There were activities during the course of the year that qualified for repairs and maintenance. The admin office was one of the major repairs and maintenance performed in the current year.

General expenses

The significant variance in the general expenses is due to the significant increase in the debt impairment and the loss on exchange transaction.





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