

PART C: GOVERNANCE

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3. GOVERNANCE

3.1 INTRODUCTION

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

Governance structures and responsibilities

- In an on-going effort to ensure that the Department is managed responsibly and ethically, reviews and updates are done for governance processes and practices. The Department operates according to the understanding that ethical and effective corporate governance requires a combination of internal regulation and compliance with the regulatory environment in which it conducts its business
- Management is compliant with and guided by, inter alia, the provisions of the Public Finance Management Act, Public Service Act and other legislations and governance principles. The King III report brings about added compliance requirements that moving forward, the Department will embrace and comply with
- The SEF Performance Information and Financials still form part of the Department of Labour's Annual Report until such time that the Employment Services Act is promulgated and their legal status is clarified.

3.2 RISK MANAGEMENT

3.2.1 Risk governance

Risk management policies and strategies

The Department has a Risk Management Policy and a Risk Management Strategy in place. Both the Risk Management Policy and Risk Management Strategy were revised and approved during the year and they are based on the Public Sector Risk Management Framework.

Risk Management Committee

The Department has a National Risk Management Committee that advises the Accounting Officer about the effectiveness of risk management systems and processes. The Committee has been in place since 2010. This Committee advises the Accounting Officer discharging his roles and responsibilities on implementing effective, efficient and transparent risk management systems. The Committee comprises of both internal and external members. In fulfilling its duties, the committee is guided by the Risk Committee Charter.

Four Risk Committee Meetings took place during the year under review, and four strategic Risk Reports highlighting progress on risk mitigation action plans were issued. An improvement in attendance and participation by members was recorded.

The Risk Reviews, monitoring and reporting on the Strategic Risk Profiles are conducted by the Risk Management Directorate in the Department.

3.2.2 Risk management process

Risk assessment and monitoring process

The risk identification and rating process is based on the approved Risk Management Strategy which is aligned with the Public Sector Risk Management Framework. During the Departmental Strategic Planning process, a risk identification process was conducted. Subsequently three quarterly risk monitoring processes were conducted.

Effectiveness of risk management

The Internal Audit Unit via the Audit Committee is responsible for providing an independent and objective assurance regarding the effectiveness of risk management in the Department.

Taking into account the level of risk integration between the Department, UIF and CF and the overall status of risk management within the Sheltered Employment Factories, the National Risk Management Committee is of the opinion that significant improvement is still required regarding the effectiveness of risk management.

Risk maturity

As one of the strategies for improving the risk maturity levels, the Risk Management Committee advised that senior managers of the Department incorporate risk management indicators in their respective performance agreements.

Plans to improve the risk management process

In an attempt to improve the risk management process within the Department, the following activities will be implemented:

- Strengthening of collaboration efforts on risk management activities between the Department, UIF and CF
- More emphasis will be placed on Sheltered Employment Factories
- Streamlining of some of the risk mitigation action plans
- Review of the control environment around programme / project management.

3.3 FRAUD AND CORRUPTION

- The Department has a draft Fraud Prevention Policy and an approved Fraud Prevention Strategy
- The purpose of the Strategy is to prevent and detect fraud and corruption and to create a culture which is intolerable of fraud and corruption
- The Department conducted a Fraud Risk Assessment during the year. Inadequate controls or gaps were identified. All suspected fraud or criminal activities are reported through the hotline, emails and walk-ins
- During the year, fraud awareness campaigns were conducted and seventeen cases were reported to the Department for investigation, ten cases were finalised during the period
- Fraud and corruption activities are reported either anonymously through email or the hotline or it can be reported directly at the Risk Management Directorate or to a senior official or to the Director-General. Investigations are conducted by the Risk Management Directorate and reports are presented to the Executive Committee, Risk Committee and Audit Committee.

3.4 MINIMISING CONFLICT OF INTEREST

The Department has implemented processes to minimise conflict of interest. These processes are as a result of legislative requirements and best practices that we intend to enrich. All members of the Senior Management Service (SMS) 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.

3.5 CODE OF CONDUCT

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 a declaration by the oversight committee members are among others initiatives implemented to manage possible conflict of interest.

3.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department developed an Environmental Health and Safety Plan.

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

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

- Ventilation in building
- Safety of officials against hazards
- The protocol to report incidents
- OHS compliance checklists to be completed monthly
- Training to internal staff regarding OHS matters
- Training of Security Officers.

3.7 PORTFOLIO COMMITTEES

The first meeting of the Committee of Labour in the Fifth Parliament was held on 2 July 2014. The purpose was to outline the Department's programmes and other issues including the organisational structure.

Subsequently the Department attended various briefings as follows:

COMMITTEE	DATE	PURPOSE
Portfolio Committee on Labour	30 July 2014	Ratification of the International Labour Organisation (ILO) convention (particularly the instrument for the amendment of the ILO constitution)
	17 October 2014	Briefing the Committee regarding the Annual Report for the 2013/14 financial year of the Department
	25 February 2015	Briefing the Committee regarding the Quarterly Performance Reports of the Department.
	11 March 2015	Presentation of the Strategic Plan and the Annual Performance Plan of the Department.
Select Committee on Labour	22 July 2014	Briefing on the Budget Vote, Strategic and Annual Performance Plans.

3.8 SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
Second report of the Committee on Public Accounts on the Report of the Auditor-General on the 2011/12 Financial Statements of the Department of Labour, dated 20 August 2013	1. Usefulness and reliability of information	<p>The Auditor-General reported the following:</p> <ul style="list-style-type: none"> a) Performance targets were not specific, time-bound, or well-defined b) Planned and reported indicators were not verifiable c) For the selected programmes a total of 22% and 47% of the indicators relevant to Inspection and Enforcement Services and Public Employment Services respectively were not valid, accurate or complete when compared to the source information d) Of the total number of 140 planned targets, only 82 were achieved during the year under review. This represents 41% of total planned targets that were not achieved during the year under review. <p>The Committee recommended that the Accounting Officer ensures that:</p> <ul style="list-style-type: none"> a) The planned and reported performance targets and objectives are specific, measurable and time-bound b) The planned and reported indicators are clearly defined and understandable c) The systems used to collect and collate information on predetermined objectives facilitate the preparation of reports. 	<p>The revised and improved reporting template addresses the finding to ensure that objectives are specific, measurable, and time-bound. The 2014/15 Annual Performance Plan also ensures that clear indicators and targets are set to address the challenge pertaining to inability to respond to targets.</p> <p>The Chief Directorate: Planning, Monitoring and Evaluation unit has stringent quality control measures in place – all reports that do not comply with the prescripts are sent back to Branches and Provinces until compliance is adhered to.</p>	Yes - resolved
	2. Annual Financial Statements	<p>The Auditor-General reported that:</p> <p>The Financial Statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) of the PFMA.</p> <p>Material misstatements of capital assets: PPP and disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.</p> <p>The Committee recommended that the Accounting Officer ensures that: The Financial Statements and other information included in the annual report are checked and reviewed for completeness and accuracy prior to audit. All amendments to Financial Statements and information should be done before the annual audit commences</p>	<p>The recommendations of SCOPA have been implemented</p>	Yes – resolved

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
3.	Asset management	<p>The Auditor-General reported that: Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1) (d) of the Public Finance Management Act and Treasury Regulation 10.1.1(a) as a material number of minor assets had no physical location and condition recorded.</p> <p>The Committee recommended that the Accounting Officer ensures that: a) A verifiable asset register - which contains asset descriptions, dates on which they were acquired, as well as serial numbers - is created and updated on a monthly basis b) Proper control systems and policies are implemented to safeguard and maintain assets, and that appropriate action is taken against individuals who do not comply with the prescribed policies.</p>	<p>An action plan was developed by the Department to comply with section 38(1) (d) of the PFMA, as well as Treasury Regulation 10.1.1, in respect of asset management</p> <p>The following was implemented by the Department to address the Asset Management findings of the Auditor-General:</p> <ul style="list-style-type: none"> • Monthly reconciliations are done by the Asset Management Unit: Head Office on the major and minor asset registers • A report of discrepancies discovered are provided to the Asset Practitioners: Provincial Operations to correct the registers • All Deputy Directors: Management Support Services and Assistant Directors: Finance and SCM have access to these reports to ensure the discrepancies are corrected • The existing policy makes provision for financial misconduct • The SCOPA resolutions were circulated to all the provincial offices to take cognisance of the Committee's recommendations <p>The Department received an unqualified audit report for the 2012/13 and 2013/14 financial years, which further indicates that monitoring and controls are in place to effectively address the findings relating to assets and the management thereof</p>	Yes – resolved finding did not recur in the 2012-2013 financial year
4.	Revenue management	<p>The Auditor-General reported that: The Accounting Officer did not take effective and appropriate steps to collect all money due as required by section 38(1) (c) (i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2 (e)</p> <p>The Committee recommended that the Accounting Officer ensures that: a) The monthly debtors' reconciliations are prepared and reviewed through regular monitoring to ensure that the debtors' balances are correct at the end of the financial year b) The Department implements a system to assist in accounting for these transactions, and the system should automatically calculate the outstanding balances at financial year end, including the correct interest for the period</p>	<p>The recommendations of SCOPA have been implemented</p>	Yes – resolved

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.	Procurement/ supply chain management	<p>The Auditor-General reported the following:</p> <p>a) The Department did not comply with paragraph 16A.3 of the Treasury Regulations as the supply chain management policy is not sufficiently documented with regard to measures to prevent non-compliance with the SCM system and processes</p> <p>b) Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury Regulation 16A6.4</p> <p>c) The Accounting Officer did not report the deviation from normal procurement processes to National Treasury and the Auditor-General as required by paragraph 16A.6.4 of the Treasury Regulations</p> <p>d) Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the State, which is prescribed in order to comply with Treasury Regulation 16A8.3</p> <p>e) Employees of the Department performed remunerative work outside their employment in the Department without written permission from the relevant authority as required by Section 30 of the Public Service Act.</p> <p>The Committee recommended that the Accounting Officer ensures that:</p> <p>a) The Department's Supply Chain Management (SCM) policy is updated, encompassing all the elements of the PFMA, Treasury Regulations, Preferential Procurement Policy Framework Act (No. 5 of 2000), Preferential Procurement Regulations and Supply Chain Management Practice Notes issued by the National Treasury. This will ensure an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective</p> <p>b) Appropriate disciplinary measures are taken against officials who do not comply with SCM requirements</p> <p>c) Supply chain personnel are trained in all SCM policies and procedures.</p>	<p>The Department ensures that each procurement submission is complete and all the relevant documents are attached - a checklist was developed to ensure compliance to Supply Chain Management prescripts. The checklist is completed, verified and approved by three officials.</p> <p>The SCM policy was amended to address the finding regarding deviations and in house training sessions as well as workshops were arranged for the officials responsible for SCM processes.</p> <p>Deviations are reported to National Treasury on a monthly basis.</p> <p>The Department does not have access to a system(s) to detect that vendors are employed by the State, however the Department ensures quotes received from vendors are accompanied by the declaration of interest forms (SBD 2, 8 and 9 forms).</p>	Yes – resolved

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6.	Internal control	<p>The Auditor-General reported that: The accounting officer did not effectively exercise oversight responsibility regarding compliance with laws and regulations and related internal controls relating to assets, supply chain management and reporting on predetermined objectives. Management did not establish an IT governance framework that supports and enables the department to report efficiently on its activities, including reporting on predetermined objectives which resulted in the ICT strategy for the department and its entities reporting to it not being developed and approved.</p> <p>The Committee recommended that the Accounting Officer ensures that:</p> <p>a) There is oversight responsibility over financial management and internal controls, and appropriate disciplinary measures are taken against individuals who fail to exercise this responsibility</p> <p>b) Internal controls are strengthened and monitored continuously to ensure compliance with the Department's policies and procedures</p> <p>c) There is regular monitoring and review of the policies related to the safeguarding and maintenance of assets</p> <p>d) An ICT governance framework is established and implemented.</p>	<p>The recommendations of SCOPA have been implemented in respect of paragraphs a, b and c.</p> <p>Recommendation d: An ICT strategy was signed and approved on the 30 July 2012 by the Accounting Officer, Deputy Director-General: Corporate Services, the Chief Information Officer, as well as the Commissioners of the Unemployment and Compensation Funds. The document clarifies the implementation of the IT operating model of the Department over a period of five (5) year (2012 to 2017). The following governance structures were registered after the conclusion of the IT PPP in the form of the following committees / boards to ensure implementation and compliance of the ICT strategy:</p> <ul style="list-style-type: none"> • ICT Executive Committee – chaired by the Accounting Officer • ICT Strategy and Architectural Board – chaired by the Chief Information Officer • Investment committee – chaired by the Chief Financial Officer • ICT Programme / Portfolio committee – chaired by the Chief Information Officer • ICT Services Board – chaired by the Chief Information Officer • ICT Supplier Relationship Board – Service Management Director • ICT Change Approval Board – Service Management Director. 	Yes – resolved
7.	Financial and performance management	<p>The Auditor-General reported that: Management did not prepare adequate, regular and complete financial and performance reports that are supported and evidenced by reliable information. Material differences which were not identified by management prior to submission of the financial statements were identified between the financial statements and the supporting schedules for PPP assets, lease commitments, commitments and accruals. Further, differences were noted on the figures reported in the annual performance report and the auditor's recalculation. The Committee recommended that the Accounting Officer ensures that: The financial statements and other information included in the annual report are checked and reviewed for completeness and accuracy prior to audit. All amendments to financial statements and information should be done before the annual audit commences</p>	<p>The recommendations of SCOPA have been implemented</p>	Yes – resolved

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
	Investigations	<p>The Auditor-General reported that: The disciplinary process resulting from the outcome of the forensic investigation at Indlela which was instituted by the Department of Higher Education and Training has not been finalised at the date of the report for the Department to consider the impact on its financial statements</p> <p>The Committee recommended that: The Accounting Officer follows up on the progress of the investigation with the Department of Higher Education and report to the Committee in the next quarterly report.</p>	<p>All functions and budgetary allocations were in line with the Presidential Proclamation issued in Government Gazette No. 32549 dated 4 September 2009, transferred to the Department of Higher Education and Training</p> <p>A process of facilitating the transfer of functions, the National Macro Organisation of State (NMOS), was duly followed and participated in by both departments</p> <p>In the report issued post the forensic investigation (after the transfer of the functions), certain allegations have been highlighted to the Department of Higher Education and Training, by the initiators of the investigation</p> <p>As such, the Department of Labour has not received communication from the Department of Higher Education and Training to the effect that any of the allegations have been confirmed, nor has any recommendation been received as to future processes regarding such allegations</p> <p>The matter was not raised by the Auditor-General in the 2012/2013, 2013/14 financial years Audit Reports and are therefore resolved, in respect of the Department of Labour's intervention.</p>	

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

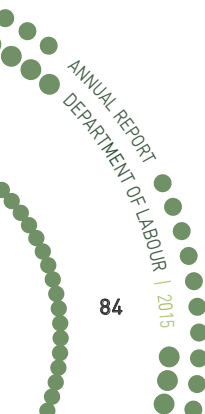
Audit report and important matters in the management report for 2014/15 financial year.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter*
Qualification	Unqualified opinion	Unqualified opinion
Disclaimer	None	None
Adverse opinion	None	None
Matters of non-compliance 1. Material under-spending of the budget/vote. As disclosed in the appropriation statement, the department has underspent the budget to the amount of R73 803 000 (3%). The under-spending on current payments is mainly attributable to less than anticipated payments under Programme 1 (Administration) to the Department of Public Works (DPW), as incorrect invoices received from DPW were returned to be corrected and not received back in time for payment. These invoices amounted to R62 757 000, while less than anticipated payments under Programme 2 (Inspection and Enforcement Services) for compensation of employees, amounted to R10 857 000.	Refer below 2013/14	Refer below Progress: • 90% of lease agreements received from DPW. Asset registers in respect of buildings finalised. Monitoring tool implemented for lease buildings and municipal services, which is updated monthly. Vacancy Rate: • The Department's Human Resource unit has identified a task team that monitors the implementation of the recruitment processes in the Department as well as assisting in the reduction of the vacancy rate. • The vacancy rate is monitored on a weekly basis.



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>Report on other legal and regulatory requirements</p> <p>2. In accordance with the PAA and the general notice issued in terms thereof, the Auditor-General report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of the tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, the Auditor-General does not express an opinion or conclusion on these matters.</p> <p>Predetermined objectives</p> <p>3. The Auditor-General performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:</p> <ul style="list-style-type: none"> » Programme 2: Inspections and Enforcement Services » Programme 3: Public Employment Services » Programme 4: Labour Policy and Industrial Relations <p>4. The Auditor-General reported performance information against the overall criteria of usefulness and reliability.</p> <p>5. The Auditor-General evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. Further tests were performed to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).</p> <p>6. The Auditor-General assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.</p>	<p>2012/13</p>	<p>The Department developed a Standard Operations Manual applicable to all regions (labour centres, provincial offices and branches at head office), which will outline the manner performance information should be:</p> <ul style="list-style-type: none"> • Prepared • Collected • Verified • Reported. <p>A performance verification certificate (to agree with the contents/information) will be signed at each level; thus, labour centres, provincial offices and branches.</p> <p>Branch consultations to ensure compliance with the NT/DPME prescripts and ensure institutionalisation through the approved SOP, policies and guidelines.</p> <p>Performance targets revised in order to meet the requirements of the FMPPi.</p> <p>The Department's Internal Audit Unit developed and implemented a risk based Internal Audit plan to determine the Department's compliance with the National Treasury Framework on Performance Information. Furthermore, recommended corrective actions throughout the year.</p> <p>The Department conducted quarterly source verification at three Provincial Offices (business units and labour centres) and monthly source verification within the four branches.</p> <p>Quarterly reporting frameworks developed, wherein some of the requirements are to report actual achievement against the planned target and further provide collaborating evidence of performance.</p> <p>Monthly and quarterly spot checks of performance information done at head office, provincial offices and labour centres, respectively.</p>

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. The material findings in respect of the selected programmes are as follows:</p> <p>Programme 2: Inspections and Enforcement Service</p> <p>Usefulness of reported performance information</p> <p>8. The FMPPI requires the following:</p> <ul style="list-style-type: none"> » Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 24% of significantly important targets were not specific. » Performance targets must be measurable. The Auditor-General could not measure the required performance for 41% of significantly important targets. » The period or deadline for delivery of targets must be specified. A total of 47% of significantly important targets were not time bound. » Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 47% of significantly important indicators were not well defined. <p>The aforementioned was as a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.</p> <p>Reliability of reported performance information</p> <p>9. Reasons for variances between planned and actual achievements reported in the annual performance report were not supported by adequate and reliable corroborating evidence for 65% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of review of the presentation of the annual performance report by the Planning, Monitoring and Evaluation unit.</p> <p>10. The National Treasury's FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The Auditor-General was unable to obtain the information and explanations considered necessary to satisfy the auditors to the reliability of information presented with respect to Programme 2 Inspection and Enforcement Services.</p> <p>This was due to limitations placed on the scope of work because the institution could not provide sufficient appropriate evidence in support of the information presented with respect to the Inspection and Enforcement Services.</p>	2012/13	Refer to progress above



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>Programme 3: Public Employment Services</p> <p>Usefulness of reported performance information</p> <p>11. No reasons for variances between planned and actual achievements reported in the annual performance report were given for 21% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of review of the presentation of the annual performance report by Planning, Monitoring and Evaluation unit.</p> <p>12. The FMPPI requires the following:</p> <ul style="list-style-type: none"> » Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 64% of significantly important targets were not specific » Performance targets must be measurable. The Auditor-General could not measure the required performance for 36% of significantly important targets. » The period or deadline for delivery of targets must be specified. A total of 29% of significantly important targets were not time bound. » Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 50% of significantly important indicators were not well defined. » Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator/measure. A total of 50% of the significantly important indicators were not verifiable. <p>The aforementioned was as a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.</p> <p>Reliability of reported performance information</p> <p>13. Reasons for variances between planned and actual achievements reported in the annual performance report were not supported by adequate and reliable corroborating evidence for 64% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of review of the presentation of the annual performance report by the, Planning, Monitoring and Evaluation unit.</p> <p>14. The National Treasury's FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The Auditor-General was unable to obtain the information and explanations considered as necessary to satisfy the auditors as to the reliability of information presented with respect to Programme 3 Public Employment Services.</p> <p>15. This was due to limitations placed on the scope of work due to the fact that the institution could not provide sufficient appropriate evidence in support of the information presented with respect to the Public Employment Services</p>	<p>2012/13</p>	<p>Refer to progress above</p>

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>Programme 4: Labour Policy and Industrial Relations</p> <p>Usefulness of reported performance information</p> <p>16. The FMPPi requires the following:</p> <ul style="list-style-type: none"> » Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 42% of significantly important targets were not specific » Performance targets must be measurable. The Auditor-General could not measure the required performance for 21% of significantly important targets » The period or deadline for delivery of targets must be specified. A total of 21% of significantly important targets were not time bound » Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 29% of significantly important indicators were not well defined » Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator/measure. A total of 29% of the significantly important indicators were not verifiable. <p>The aforementioned was as a result that management did not adhere to the requirements of the FMPPi due to a lack of proper systems and processes and inadequate technical indicator descriptions.</p> <p>Reliability of reported performance information</p> <p>17. Reasons for variances between planned and actual achievements reported in the annual performance report were not supported by adequate and reliable corroborating evidence for 25% of the targets not achieved, as required by the National Treasury's guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of review of the presentation of the annual performance report by Planning, Monitoring and Evaluation unit.</p> <p>18. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided, for Programme 4. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.</p>	2012/13	Refer to progress above

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>Additional matters</p> <p>19. The Auditor-General drew attention to the following matters:</p>		
<p>Compliance with legislation</p> <p>20. The Auditor-General performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. The Auditor-General's findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:</p>		
<p>Procurement and contract management</p> <p>21. The Accounting Officer approved a bid to be advertised in Government Tender Bulletin for a period less than 21 days before closure, for cases that were not urgent in contravention of Treasury Regulation 16A6.3 (c)</p> <p>22. The Accounting Officer did not ensure that preferential procurement policy was implemented within the framework a preference point system as per Preferential Procurement Policy Framework Act; 2000 (Act No. 5 of 2000) paragraph 2(1)(a)</p>	<p>2013/14</p>	<p>In accordance with Paragraph 4.9 of The SCM Guide for Accounting Officers, bids will be advertised for a period of 30 days before closure. Advertised in the Government Tender Bulletin and in other appropriate media except in urgent cases when bids may be advertised for a shorter period as determined by the Accounting Officer. Only urgent forthcoming procurement requests will follow the shortened bid advertisement period – monthly monitoring conducted</p>
<p>Expenditure management</p> <p>23. The Accounting Officer did not take effective steps to prevent irregular expenditure as required by Section 38(1) (h), of the PFMA and the Treasury Regulation 9.1.1</p>	<p>2011/12</p>	<p>Circulars issued and training provided to Supply Chain Management (SCM) officials at Head Office, the provincial offices, as well as labour centres during financial inspections regarding SCM prescripts and procedures. Inspections concluded on 31 November 2014</p>
<p>Strategic planning and performance management</p> <p>24. The Accounting Officer did not ensure that the Department's budget included the measurable objectives, expected outcomes, programme outputs, indicators, and targets of the institution as required by Treasury Regulation 5.2.3(d)</p>	<p>2013/14</p>	<p>The Department reports on financial expenditure against set targets in accordance with Treasury Regulation 5.2.3(d)</p>

3.10 MONITORING AND COMPLIANCE

The following tasks were performed by the Financial Control Unit:

- Facilitated, monitored and controlled the receipt and answering of all requests for information and audit queries from the Auditor-General, as per the agreed Audit Protocol
- Facilitated the Audit Steering Committee meetings between the Auditor-General and Senior Management of the Department
- After receipt of the final Audit Management Report from the Auditor-General an audit action plan was developed to monitor and resolve the audit findings in respect of Head Office
- A workshop was held to discuss findings raised by the Auditor-General; officials from Head Office and provincial offices attended the meeting. During the workshop, each provincial office was assisted with developing an audit action plan from their respective audit management reports to address audit findings as issued by the Auditor-General
- Financial inspections were performed at all provincial offices, problematic offices were visited twice and where required, training was provided in respect of compliance to prescripts
- BAS, SafetyWeb and Safetynet system training was provided to the respective system users at the provincial offices during financial inspections
- Annual review of procedure manuals to ensure compliance to amended financial prescripts as issued by National Treasury
- Document control reports were generated daily and monthly in respect of financial transactions to detect duplication and fraudulent transactions
- Facilitated, monitored and controlled the safeguarding of and availability of financial documentation for both internal and external audit purposes.

3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

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

The key objective of the Internal Audit Activity is to add value and improve the Department's 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 (IA) activity reviews the following:

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

Key activities

- Development of the three-year rolling and operational internal audit plan (Department of Labour and Sheltered Employment Factories) approved by the Audit Committee and the Accounting Officer
- Implementation of the approved internal audit plans
- Quarterly reporting to the Audit Committee

- Perform secretarial functions to the Audit Committee
- Review the Internal Audit and Audit Committee Charters
- Participation of Internal Audit in the Department’s Executive Committee meetings
- Training and development of officials to keep abreast of the professional and public service developments
- Quality review of the Internal Audit Activity.

Summary of work done

The following audit types were performed:

Department of Labour		
Audit Type	Number of Audits	Percentage
Compliance/ Regularity	10	22%
Financial audits	4	9%
Risk management / Governance	2	4%
Performance information (pre-determined objectives)	7	16%
IT audits	15	33%
Follow-up reviews	7	16%
Total	45	100%

Sheltered Employment Factories		
Audit Type	Number of Audits	Percentage
Compliance/ Regularity	2	12%
Financial audits	3	18%
Risk management / Governance	2	12%
Performance information (pre-determined objectives)	2	12%
IT audits	3	17%
Follow-up reviews	5	29%
Total	17	100%

Internal Controls

Based on the work done by internal audit during the 2014/15 financial year, the overall control environment of the Department is reasonably adequate, however inconsistently effective in most areas. The design of the controls in the area of organisational performance (performance information) is inadequate which resulted in significant issues noted. We further noted a recurrence of findings (Department and Sheltered Employment Factories) in the areas where systems have been put in place in the previous years. To enhance the system of controls, adequate design, implementation of recommendations, management actions, consistent and effective monitoring mechanisms should be implemented.

Risk Management

The risk management processes have been established at both strategic and operational levels. However, a need exists for a structured approach in the identification of emerging risks. Furthermore, there is a need to strengthen the risk management processes and improve on the risk culture at the Sheltered Employment Factories.

Governance Processes

In our opinion, the governance processes within the Department are reasonably adequate, however ineffective, improvements are required in the implementation of management decisions taken at different levels.

The Governance processes within the Sheltered Employment Factories were noted to be inadequate. Significant findings raised in the internal audit reports were as a result of inadequate and ineffective governance processes within the SEF.

3.12 AUDIT COMMITTEE REPORT

Report of the Audit Committee for the year ended 31 March 2015

Introduction

The Committee is pleased to present its report for the financial year ending 31 March 2015. The report is presented in accordance with the requirement of the Public Finance Management Act 1 of 1999 and in line with the National Treasury Annual Report guide.

Audit Committee responsibility

The Audit Committee has discharged its oversight responsibilities to the Department of Labour independently and objectively in compliance with Section 76 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 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 Sheltered Employment Factories.

The table below discloses relevant information on the audit committee members:

Name	Rank	Qualifications	Date Appointed	Date Resigned/ Contract Ended	Number of Meetings Attended	Comment
Mr T Mageza	Chairperson (External)	MBL; BComm Diploma in Training Management	September 2013	N/A	5/5	None
Mr N Mhlongo	Member (External)	CA (SA); CGMA ACMA; ATC B. Com (Hons)	September 2013	N/A	4/5	None
Ms R Kalidass	Member (External)	CA(SA) B. Com (Hons) BCompt	September 2013	N/A	3/5	None
Mr D Hlatshwayo	Member (External)	CA (SA) MBA, B Compt. (Hons)	April 2014	N/A	5/5	None

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

Effectiveness of internal control

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

Our opinion, based on the work done by Internal Audit, consideration of the Auditor-General reports and engagement with different stakeholders during year, is that management has put reasonably adequate controls in most areas, which are inconsistently effective to monitor the risks.

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

- Inadequate information technology strategy to support the Department's strategic plans
- The development of an adequate information technology (management information) system to strengthen the process of collation and reporting of the Department's performance information
- The reporting of performance information that is inadequately supported by valid and accurate evidence
- Delays in the development and implementation of action plans to address identified weaknesses in performance information
- Inadequate and inconsistent implementation of management action plans to improve on the areas of identified weaknesses and eliminate the recurrence of audit findings
- Improvement in the level of compliance on the Management of Performance Assessment Tool (MPAT) standards.

Sheltered Employment Factories (SEF)

The system of internal control has not yielded improvements in the SEF control environment in comparison to the previous financial year. The Audit Committee noted challenges through its advisory role and work performed by Internal Audit during the year, that there is need for stringent interventions that require adequate design of processes, consistent implementation, and effective monitoring of processes in the following areas:

- Non-adherence to the reporting requirements of National Treasury for preparation of financial statements
- Poor turnaround time in implementing decisions and processes that impact governance and the control environment (CFO appointment, delegations- financial/ human resource)
- The delays in the migration of the SEF information technology to the Departmental information technology environment
- Management of the SEF (CEO) and the delays in the appointment of the Acting Chief Financial Officer in the six months of the reporting period
- Implementation of SEF Business Case
- Non-implementation of the Audit Committee resolutions, mainly in the improving of the SEF financial statements and inclusion of the indicator on Gross Profit Margins.

Internal Audit

The Department has a functional Internal Audit Unit which includes internally established information technology. Internal Audit has ensured that its resources cover both the Department and SEF. The committee is satisfied that Internal Audit has operated effectively, despite its limitation of resources (human resource) for the period under review. The work performed by Internal Audit has enabled the Committee to fulfil its duties.

External audit

In the performance of its duties, the committee considered the work and matters raised by the external audit (Auditor-General). The committee has consistently monitored the progress made by management in the implementation of corrective measures (2013/14 Action Plan). However, the Committee is still concerned with the recurrence of the findings in the area of performance information.

Risk management

The Department has a risk management function in place as per PFMA. The Audit Committee has evaluated the risk management reports during the year and is satisfied that through the Risk Management Committee recommendations, Internal Audit was able to focus on the key-risks facing the Department.

Combined assurance

The committee is satisfied with the coordination of the work between internal audit, risk management and external audit. However, has noted a need to establish and implement a formal structured combined assurance model to enhance effective coordination of the assurance services within the Department, the Funds' Internal Audit Units, Risk Management section and other assurance providers within the Department of Labour.

In-year management and monthly/quarterly reporting

The Audit Committee was appraised with monthly and quarterly reports during the year. The Audit Committee is satisfied with the quality of monthly and quarterly reports prepared and issued by the Department during the year. However, concerned over consistent delays in the submission of the SEF Financial Statements to the Audit Committee for proper review and analysis.

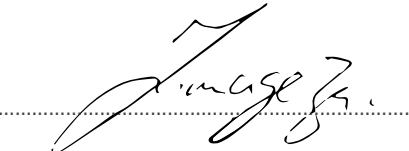
Evaluation of financial statements

The Audit Committee has for both the Department and Sheltered Employment Factories:

- Reviewed and discussed the Quarterly/ Interim Financial Statements during the reporting period
- Reviewed and discussed the annual Financial Statements to be presented for auditing purposes
- Reviewed the Department's and SEF 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 timing in which the financial information was made available to ensure that adequate oversight is provided.

Appreciation

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



Mr T Mageza
Chairperson of the Audit Committee

31 July 2015

PART D: HUMAN RESOURCE MANAGEMENT

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4. HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

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

- The status of human resources in the Department
- Human resource priorities for the year under review and the impact of these
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management
- Employee wellness programmes
- Highlight achievements and challenges faced by the Department, as well as future human resource plans /goals.

4.2 HUMAN RESOURCE OVERSIGHT STATISTICS

4.2.1 PERSONNEL RELATED EXPENDITURE

TABLE 4.2.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	675 957	309 546	5 438	5 077	12.8	97
Inspection and Enforcement Services	430 878	350 098	5 484	527	14.4	110
Public Employment Services	465 264	265 059	1 640	15	11.0	83
Labour Policy and Industrial Relations	847 837	73 048	576	2 964	3.0	23
Total	2 419 936	997 751	13 138	8 583	41.2	313

TABLE 4.2.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	16 848	1.68	54	5
Skilled (Level 3-5)	222 661	22.32	713	70
Highly skilled production (Levels 6-8)	582 659	58.40	1 865	183
Highly skilled supervision (Levels 9-12)	156 642	15.70	501	49
Senior and Top management (Levels 13-16)	18 941	1.90	61	6
Total	997 751	100	3 194	313

TABLE 4.2.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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	216 286	21.68	7 558	0.76	9 564	0.96	14 737	1.48
Inspection and Enforcement Services	253 649	25.42	328	0.03	11 831	1.19	18 627	1.87
Public Employment Services	189 281	18.97	129	0.01	6 803	0.68	10 584	1.06
Labour Policy and Industrial Relations	51 637	5.18	5	0.00	1 510	0.15	2 610	0.26
Total	710 853	71.25	8 020	0.80	29 708	2.98	46 558	4.67

TABLE 4.2.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	12 003	1.20	135	0.01	502	0.05	786	0.08
Skilled (level 3-5)	158 636	15.90	1 790	0.18	6 630	0.66	10 390	1.04
Highly skilled production (levels 6-8)	415 118	41.61	4 684	0.46	17 348	1.74	27 188	2.73
Highly skilled supervision (levels 9-12)	111 601	11.19	1 259	0.13	4 664	0.47	7 310	0.73
Senior management (level 13-16)	13 495	1.35	152	0.02	564	0.06	884	0.09
Total	710 853	71.25	8 020	0.80	29 708	2.98	46 558	4.67

4.2.2 EMPLOYMENT AND VACANCIES

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

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

This information is presented in terms of three key variables:

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



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 4.2.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration (Corporate Services)	499	461	7.6%	3
Chief Operations Officer	6 612	5 967	9.8%	64
Public Employment Services	227	177	22.0%	25
Labour Policy and Labour Market Programmes	127	107	15.8%	0
Inspection and Enforcement	76	68	10.5%	0
Social Insurance	UIF: 517 CC: 690	UIF: 441 CC: 594	UIF: 14.7% CC: 13.9%	UIF: 46 CC: 186
Total	8 748	7 815	10.7%	324

TABLE 4.2.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	3	2	33.3%	0
Skilled (3-5)	1 461	1 323	9.5%	309
Highly skilled production (6-8)	6 036	5 432	10.0%	4
Highly skilled supervision (9-12)	1 107	946	14.5%	6
Senior management (13-16)	141	112	20.6%	5
Total	8 748	7 815	10.7%	324

TABLE 4.2.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Inspectors	1 735	1 599	7.8%	0
Employment Services Practitioners and Career Counsellors	279	266	4.7%	0
Total	2 014	1 865	7.4%	0

4.2.3 FILLING OF SMS POSTS

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

TABLE 4.2.3.1 SMS POST INFORMATION AS ON 31 MARCH 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	1	100%	0	0%
Salary Level 15	8	6	75%	2	25%
Salary Level 14	33	32	97%	1	3.0%
Salary Level 13	99	73	73.7%	26	26.3%
Total	141	112	79.4%	29	20.6%

TABLE 4.2.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	1	0	0%	1	100%
Salary Level 15	8	7	87.5%	1	12.5%
Salary Level 14	33	30	90.9%	3	9.1%
Salary Level 13	99	70	70.7%	29	29.3%
Total	141	107	75.9%	34	24.1%

TABLE 4.2.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 16	1	1	0
Salary Level 15	2	0	0
Salary Level 14	2	2	0
Salary Level 13	7	2	0
Total	12	5	0

TABLE 4.2.3.4 REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT FOR THE PERIOD 1 APRIL 2014 AND 31 MARCH 2015

Reasons for vacancies not advertised within twelve months
All SMS posts in the Department have been advertised within 3 months of being vacant since the Department prioritised the filling of these positions as they are critical.
One post of Director is vacant and the Department is in the process of advertising the position.
Reasons for vacancies not filled within twelve months
Re-advertisement due to not finding suitable candidates during recruitment process or not enough pool of suitable candidates applied for the post.
Lack of suitable candidates for some technical positions that exist in the Department.

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.


TABLE 4.2.3.5 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 1 APRIL 2014 AND 31 MARCH 2015

Reasons for vacancies not advertised within twelve months
None.

Reasons for vacancies not filled within twelve months
None.

4.2.4 JOB EVALUATION

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

TABLE 4.2.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	1 461	1	0.07	3	0.2	0	0
Highly skilled production (Levels 6-8)	6 036	14	0.23	996	16.5	0	0
Highly skilled supervision (Levels 9-12)	1 107	46	4.16	24	2.2	0	0
Senior Management Service Band A	99	3	3.03	0	0	0	0
Senior Management Service Band B	33	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	8 748	64	7.49	1 023	0	0	0

TABLE 4.2.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Gender	African	Asian	Coloured	White	Total
Female	511	11	68	35	625
Male	367	15	29	21	432
Total	878	26	97	56	1 057

Employees with a disability	21
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case

TABLE 4.2.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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 Dev. Management.
Deputy Director	2	11	12	The incumbents were transferred from SR12 posts at their previous establishments to SR11 posts on their current establishments.
Assistant Director	2	9	10	One official was transferred from Northern Cape to Gauteng. She was upgraded from SR9 to SR10. Another official was upgraded from SR9 to SR10 with effect from 2013/09/01.
Councilor	41	10	11	DPSA Circular No 4 of 2009 with regard to the Occupation Specific Dispensation for Medical Officers, Dentists, Medical/ Dental Specialist, Pharmacists, Pharmacist's Assistants and Emergency Services personnel provided for salary amounts outside the salary notch structure.
Senior Specialist	1	12	13	Although the incumbent is on SR12 he disposed over the necessary qualifications and relevant experience to be absorbed in the SR13 post.
Field ICT Technicians	1	6	9	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to absorb them into the correct posts.
Field ICT Technicians	6	7	9	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to absorb them into the correct posts.
Field ICT Technicians	5	8	9	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to absorb them into the correct posts.
Field ICT Technicians	5	8	10	The incumbents were temporarily absorbed in posts while waiting for an approved structure of ICT to absorb them into the correct posts.
Total number of employees whose salaries exceeded the level determined by job evaluation				64
Percentage of total employed				0.8%

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

TABLE 4.2.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Gender	African	Asian	Coloured	White	Total
Female	32	0	2	5	39
Male	7	2	1	7	25
Total	39	2	3	12	64
Employees with a disability	0	0	0	0	0
Total number of employees whose salaries exceeded the grades determine by job evaluation					64



4.2.5 EMPLOYMENT CHANGES

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

TABLE 4.2.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Number of employees at beginning of period- 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	3	1	0%
Skilled (Levels3-5)	1 746	184	68	3.9%
Highly skilled production (Levels 6-8)	4 893	274	233	4.8%
Highly skilled supervision (Levels 9-12)	880	83	57	6.5%
Senior Management Service Bands A	70	5	2	2.9%
Senior Management Service Bands B	28	3	1	3.6%
Senior Management Service Bands C	6	1	0	0%
Senior Management Service Bands D	1	0	0	0%
Contracts	125	353	155	124%
Total	7 749	906	517	6.7%

* Note: The Department's contracts are normally 12 months, starting 1 April to 31 March

TABLE 4.2.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Critical occupation	Number of employees at beginning of period- April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Inspectors	1450	63	61	4.2%
Employment Services Practitioners and Career Counsellors	268	6	15	5.6%
Total	1718	69	76	4.4%

TABLE 4.2.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Termination Type	Number	% of Total Resignations
Death	36	9.9%
Resignation	174	48.1%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	19	5.3%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	70	19.3%
Transfer to other Public Service Departments	61	16.9%
Other	2	0.6%
Total	362	100%
Total number of employees who left as a % of total employment	7815	4.6%

TABLE 4.2.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a 0% of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Inspectors	1 450	50	3.5%	0	0
Employment Services Practitioners and Career Councillors	268	13	4.9%	0	0
Total	1 718	63	3.7%	0	0

TABLE 4.2.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary band 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)	1 746	24	1.4%	0	0
Highly skilled production (Levels 6-8)	4 893	226	4.6%	0	0
Highly skilled supervision (Levels 9-12)	880	99	11.3%	0	0
Senior Management (Level 13-16)	105	14	13.3%	0	0
Total	7 624	363	4.8%	0	0



4.2.6 EMPLOYMENT EQUITY

TABLE 4.2.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	49	5	4	8	39	1	1	5	112
Professionals	156	10	13	17	126	10	0	29	361
Technicians and associate professionals	1 111	102	46	102	1 176	129	44	298	3 008
Clerks	1 505	178	54	79	1 798	249	48	171	4 082
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	102	9	1	4	116	16	0	4	252
Total	2 923	304	118	210	3 255	405	93	507	7 815
Employees with disabilities	83	59	10	9	4	4	14	24	207

TABLE 4.2.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	0	0	0	2	0	0	0	7
Senior Management	44	5	4	8	37	1	1	5	105
Professionally qualified and experienced specialists and mid-management	381	27	20	39	379	32	5	63	946
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	886	85	39	80	923	107	39	264	2 423
Semi-skilled and discretionary decision making	1 505	178	54	79	1 798	249	48	171	4 082
Unskilled and defined decision making	102	9	1	4	116	16	0	4	252
Total	2 923	304	118	210	3 255	405	93	507	7 815

TABLE 4.2.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	5	0	0	0	3	0	0	0	8
Professionally qualified and experienced specialists and mid-management	34	1	0	1	45	0	0	2	83
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	70	8	2	11	58	6	1	9	165
Semi-skilled and discretionary decision making	136	15	7	16	62	10	2	15	263
Unskilled and defined decision making	21	2	0	2	5	1	0	2	33
Total	266	26	9	30	174	17	3	28	553
Employees with disabilities	8	0	0	2	4	0	0	0	14

TABLE 4.2.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	1	1	1	0	0	0	4
Professionally qualified and experienced specialists and mid management	22	2	0	1	21	0	0	2	48
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	45	1	1	0	40	2	0	3	92
Semi-skilled and discretionary decision making	99	6	3	0	81	8	1	1	199
Unskilled and defined decision making	7	4	1	0	6	1	0	0	19
Total	175	13	6	2	149	11	1	6	363
Employees with disabilities	0	0	0	0	3	0	0	1	4



TABLE 4.2.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid management	24	1	3	3	16	1	1	8	57
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	55	9	2	5	54	4	3	17	149
Semi-skilled and discretionary decision making	66	6	0	4	46	5	1	9	137
Unskilled and defined decision making	8	1	0	0	5	0	0	2	16
Total	154	17	5	12	123	10	5	36	362
Employees with Disabilities	5	0	0	2	3	0	0	1	11

TABLE 4.2.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	169	27	64	4	216	11	45	10	546

TABLE 4.2.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	0	0	10	0	0	1	22
Professionals	177	37	34	27	157	55	55	65	607
Technicians and associate professionals	721	110	35	20	920	49	43	98	1 996
Clerks	300	100	70	30	450	125	15	10	1 100
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	199	50	62	2	215	90	66	37	721
Total	1 408	297	201	79	1 752	319	179	211	4 446
Employees with disabilities	12	1	0	2	8	3	0	5	31

4.2.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes.

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

TABLE 4.2.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2014

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	0	0	0%
Salary Level 16	1	1	0	0%
Salary Level 15	7	6	5	83.3%
Salary Level 14	34	34	31	91.2%
Salary Level 13	100	69	68	98.6%
Total	143	110	104	95.5%

TABLE 4.2.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MAY 2014

Reasons
Late submission.
New appointments.
Acting DG during the 2014/2015 performance cycle.

TABLE 4.2.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MAY 2014

Reasons
Implemented the forfeiture of performance incentives for that particular cycle.



4.2.8 PERFORMANCE REWARDS

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

TABLE 4.2.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2014 TO 31 TO MARCH 2015

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	541	2 797	19.3%	7 728 800.35	14 286.14
Female	777	3 214	24.2%	11 015 022.23	14 176.35
Asian					
Male	36	113	31.9%	602 688.11	16 741.34
Female	41	95	43.2%	620 417.93	15 132.14
Coloured					
Male	38	295	12.9%	623 239.63	16 401.04
Female	76	398	19.1%	1 178 330.40	15 504.35
White					
Male	44	194	22.7%	848 232.00	19 278.00
Female	163	514	31.7%	3 038 714.90	18 642.42
Total	1 716	7 620	22.5%	25 655 445.55	14 950.73

TABLE 4.2.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (levels 1-2)	0	0	0%	0	0	0
Skilled (level 3-5)	348	2 007	17.3%	1 360 403.31	6 027.65	0.1%
Highly skilled production (level 6-8)	1 092	5 459	20.0%	6 658 958.03	9 727.97	0.6%
Highly skilled supervision (level 9-12)	215	1 114	19.3%	3 084 202.28	16 971.60	0.2%
Total	1 655	8 580	19.3%	11 103 563.62	9 890.91	0.9%

*The total cost of performance rewards for salary bands below SMS R11 103 563.62

TABLE 4.2.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Employment Service Practitioners	2	181	1.1%	25 771.39	12 885.70
Career Councillors	14	85	16.5%	357 814.47	25 558.18
Total	16	266	6.0%	383 585.86	23 974.12

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; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

TABLE 4.2.8.4 PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	
Band A	2	69	2.9%	154 360.62	77 180.31	7.4%
Band B	2	33	6.1%	168 275.88	84 137.94	8.1%
Band C	1	6	16.7%	108 601.60	108 601.60	5.2%
Band D	0	0	0%	0	0	0%
Total	5	108	4.6%	431 238.10	86 247.62	20.7%

*The total cost of performance rewards for SMS R2 081 168.45

4.2.9 FOREIGN WORKERS

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

TABLE 4.2.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Salary band	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0%	0	0%	0	0%
Highly skilled production (level 6-8)	2	66.7%	2	66.7%	0	0%
Highly skilled supervision (level 9-12)	1	33.3%	1	33.3%	0	0%
Contract (level 9-12)	0	0%	0	0%	0	0%
Contract (level 13-16)	0	0%	0	0%	0	0%
Total	3	100%	3	100%	0	0%



TABLE 4.2.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Major occupation	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	66.7%	2	66.7%	0	0%
Technicians and associated professionals	1	33.3%	1	33.3%	0	0%
Total	3	100%	3	100%	0	0%

4.2.10 LEAVE UTILISATION

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

TABLE 4.2.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014

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)	26	84.6%	2	0%	13	10
Skilled (levels 3-5)	8 779	77.5%	989	14.0%	9	5 432
Highly skilled production (levels 6-8)	46 015	77.6%	5 175	73.3%	9	41 705
Highly skilled supervision (levels 9 -12)	6 036	77.6%	810	11.5%	7	11 534
Top and senior management (levels 13-16)	601	82.0%	85	1.2%	7	1 963
Total	61 457	77.6%	7 061	100%	9	60 644

TABLE 4.2.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014

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)	770	100%	37	14.2%	21	480
Highly skilled production (Levels 6-8)	6 160	100%	202	77.7%	30	5 814
Highly skilled supervision (Levels 9-12)	564	100%	19	7.3%	30	1 113
Senior management (Levels 13-16)	28	100%	2	0.8%	14	92
Total	7 522	100%	260	100%	29	7 499

TABLE 4.2.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014

Salary band	Total days taken	Average per employee	Number of employees using annual leave
Lower skilled (Levels 1-2)	48	16	3
Skilled (Levels 3-5)	24 065	22	1 116
Highly skilled production (Levels 6-8)	136 325.09	24	5 741
Highly skilled supervision (Levels 9-12)	23 147	23	996
Senior management (Levels 13-16)	2 699	23	116
Total	186 284.09	23	7 972

TABLE 4.2.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	40	14	3	29
Highly skilled production (Levels 6-8)	428	99	4	31
Highly skilled supervision (Levels 9-12)	48	15	3	38
Senior management (Levels 13-16)	8	2	4	31
Total	524	130	4	32

TABLE 4.2.10.5 LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2014/15	9 333	308	30 302
Current leave payout on termination of service for 2014/15	1 445	204	7 083
Total	10 778	512	21 051



4.2.11 HIV/AIDS and HEALTH PROMOTION PROGRAMMES

TABLE 4.2.11.1 STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
YES	<ul style="list-style-type: none"> • 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 • The approved Departmental HIV and AIDS, STIs and TB Management policy responds and addresses the needs of all employees in the Department in line with the NSP 2012-2016 and the Technical Assistance Guidelines • An annual HIV, STIs and TB Management operation is developed and implemented • Conducting regular HIV and TB awareness.

TABLE 4.2.11.2 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 VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr Risimati F Chauke, Chief Director: Human Resource Management
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>The Department has a dedicated Employee Health and Wellness (EHW) Sub-directorate which has a structure that makes provision for the following four staff members who coordinates the programme nationally:</p> <ul style="list-style-type: none"> • 3 x Deputy Director (1- HQ; 1- UIF and 1- CF) • 4 Assistant Directors (2- HQ; 1- UFI and 1- CF) • 1 Senior Practitioner (HQ) <p>The sub-directorates are supported by Wellness Champions who fulfils the role of peer educators in all provinces.</p> <p>The budget for HQ EHW for 2014/2015 was R1 775 167.00</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<p>Rendering psychosocial sessions on individual and or groups to employees experiencing performance impairing programmes.</p> <p>A programme on Trauma Debriefing was introduced focusing on employees at risk.</p> <p>Wellness days were conducted to provide employees with an opportunity to test and know their health status including HIV.</p> <p>Creating awareness by writing articles on health and wellness issues which are published in iDoL (Internal Newsletter) and circulated to employees through Exchange Post Master.</p> <p>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; Leading a Healthy Lifestyles; Men's Health; and STIs awareness.</p> <p>Promotion of physical activities through sports and recreation.</p> <p>Commemorating health and wellness days in line with the National Health calendar of events.</p> <p>Rolling-out of HIV counselling and testing campaigns.</p>

Question	Yes	No	Details, if yes
4. Has the Department established [a] committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<p>National Employment Equity Consultative Forum which consists of the representatives from all the provincial offices of the Department.</p> <p>EE Manager : Ms P.M Tengeni Chairperson : Mr RF Chauke (CD- HRM) Deputy Chairperson : Mr. GM Mabunda Director: HRM : Ms P. Mthethwa</p> <p>Designated groups: Disabled : Mr ZJ Mbala Women : Ms Z Gqodi Blacks : Mr SC Cornelius</p> <p>Non-designated group: White: Male : Mr HN Weitsz.</p> <p>Representatives from the Chief Directorates: Finance : Ms G Mathibe Communication : Mr L Ramutloa Employment Equity : Mr TS Siobo</p> <p>Representatives from the Directorates: SCM and OA : Mr PA Naake T and D : Mr S Chuma PM and CS : Ms L Dlamini EHWP and GDY : Mr RB Mkansi ER : Mr C Skhosana</p> <p>Chairperson/Delegate of each LEECF: Head Office : Ms L Nawana Eastern Cape : Mr L Matiwane Free State : Mr SZ Segalo Gauteng : Mr R Reddy Kwazulu-Natal : Mr S Malinga Limpopo : Mr GM Mabunda Mpumalanga : Ms P Dyalvani Northern Cape : Mr AA Makape North West : Ms FM Barkel Western Cape : Ms AX Mdladlana CF : Ms TA Molloy UIF : Mr K Kagisho</p> <p>Representatives of Unions: NEHAWU/PAWUSA : Mr S Singila PSA : Mr L Ayton SASAWU : Mr S Pinana</p> <p>Secretariat: Ms L Rudah Ms L Pitsi Ms IS Groenewald Ms G Maritz Ms VY Modiba</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		<p>The following policies were reviewed and approved:</p> <p>HIV and AIDS, STI's and TB Management policy Health and Productivity Management policy Wellness Management policy;</p> <p>The following policies are on draft:</p> <p>Medical surveillance policy Management of Substance Abuse policy</p>



Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The approved HIV, STIs and TB Management policy which is in line with the revised Code of Good Practice on Managing HIV and AIDS in the World of Work; and the NSP 2012-2016 provides protection of HIV positive employees against stigma and discrimination. Conducting advocacy sessions to advocate for the rights of people with HIV and for reasonable accommodation; and support for people infected and affected by HIV. Conducting regular HCT programme 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 you achieved.	X		The Employee Health and Wellness Annual Performance Plan had an indicator of ensuring that 25% of Departmental staff complement participates in HIV counselling and testing by end of March 2015. The programme is implemented through raising awareness on HCT and also conducting on-site HCT through the use of GEMS and other service providers. A total of 2 091 employees which amount to 27.2% were tested for HIV at the end of March 2015
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. The Department also utilises the System Monitoring Tool which was developed by the DPSA to enable departments to check their readiness to implement EHWP. Monitoring of implementation is also done through MPAT process.

4.2.12. LABOUR RELATIONS

TABLE 4.2.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Subject matter	Date
Total number of Collective agreements	0

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 4.2.12.2 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	12	2%
Verbal warning	27	5%
Written warning	95	19%
Final written warning	290	57%
Suspended without pay	32	6%
Fine	0	0%
Demotion	0	0%
Dismissal	19	4%
Not guilty	11	2%
Case withdrawn	26	5%
Total	512	100%

TABLE 4.2.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Type of misconduct	Number	% of total
Absenteeism	19	23.17%
Abuse of power	0	0%
Alcohol abuse	0	0%
Assault	0	0%
Bribery	9	10.97%
Dereliction of duty	14	17.07%
Email abuse	1	1.22%
Failure to declare IES monies	0	0%
Fraud	10	12.20%
Fruitless expenditure	0	0%
Insubordination	5	6.10%
Misrepresentation	1	1.22%
Negligence	10	12.20%
Sexual harassment	0	0%
State vehicle misuse	13	15.85%
Total	82	100%

TABLE 4.2.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Grievances	Number	% of Total
Number of grievances resolved	199	65%
Number of grievances not resolved	106	35%
Total number of grievances lodged	305	100%

TABLE 4.2.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Disputes	Number	% of Total
Number of disputes upheld	4	18%
Number of disputes dismissed	18	82%
Total number of disputes lodged	22	100%

TABLE 4.2.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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

TABLE 4.2.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Number of people suspended	15
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	90
Cost of suspension	R 1 999 914.80



4.2.13 SKILLS DEVELOPMENT

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

TABLE 4.2.13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupational category	Gender	Number of employees as at 1 April 2014	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	40	0	30	0	30
	Male	63	0	45	0	45
Professionals	Female	149	0	300	0	300
	Male	185	0	187	0	187
Technicians and associate professionals	Female	1 569	0	950	0	950
	Male	1 249	0	874	0	874
Clerks	Female	2 324	0	1 425	0	1 425
	Male	1 784	0	1 088	0	1 088
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	147	0	200	0	200
	Male	114	0	115	0	115
Sub total	Female	4 229	0	2 905	0	2 905
	Male	3 395	0	2 309	0	2 309
Total		7 624	0	5 214	0	5 214

TABLE 4.2.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	40	0	11	0	11
	Male	63	0	11	0	11
Professionals	Female	149	0	332	0	332
	Male	185	0	275	0	275
Technicians and associate professionals	Female	1 569	0	1 110	0	1 110
	Male	1 249	0	886	0	886
Clerks	Female	2 324	0	600	0	600
	Male	1 784	0	500	0	500
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	147	0	408	0	408
	Male	114	0	313	0	313
Sub total	Female	4 229	0	2 461	0	2 461
	Male	3 395	0	1 985	0	1 985
Total		7 624	0	4 446	0	4 446

4.2.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 4.2.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	21	100%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	21	100%



4.2.14.1 Utilisation of consultants

TABLE 4.2.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
IT audit	5	36 months	R 2 028 897.36
Organisational design and review	1	36 months	R 25 572 947.41
Investigate progress made in the reduction of weekly working hours to a level of 40 hours	9	8 months but extended to 13 months	R 814 837.84
Assessing knowledge levels about the work of the department of labour and its communication campaigns	9	12 month and extended to 14 months	R 2 556 536.00
Analysis of the effectiveness of the bargaining council exemptions	4	12 month and extended to 14 months	R 864 000.00
Work seeker attitude research	5	8 months	R 1 384 058.95
Health risk management	1	24 Months	R 840 000.00
Air conditioning assessment in an office building (JHB)	1	50 hours	R 67 977.63
Conduct indoor air quality survey and testing at a Labour Centre (JHB)	1	24 hours	R 8 187.65
Total number of projects	9	Total duration Work days	Total contract value in Rand
	36	145 months and 74hrs	R 34 137 442.84

TABLE 4.2.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Investigate progress made in the reduction of weekly working hours to a level of 40 hours	100%	100%	9
Work-seeker attitude research	90% black, 60% female top management	1 person	3
Assessing knowledge levels about the work of the department of labour and its communication campaigns	100%	100%	8
Analysis of the effectiveness of the bargaining council exemptions	100%	100%	4
Air conditioning assessment in an office building (JHB)	51%	51%	1
Conduct indoor air quality survey and testing at a Labour Centre (JHB)	Not applicable – National Health Laboratory is a Government Institute	Not applicable – National Health Laboratory is a Government Institute	Not applicable – National Health Laboratory is a Government Institute

TABLE 4.2.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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

TABLE 4.2.15.4 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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

4.2.16 SEVERANCE PACKAGES

TABLE 4.2.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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