

ANNUAL REPORT OF THE DEPARTMENT OF LABOUR

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

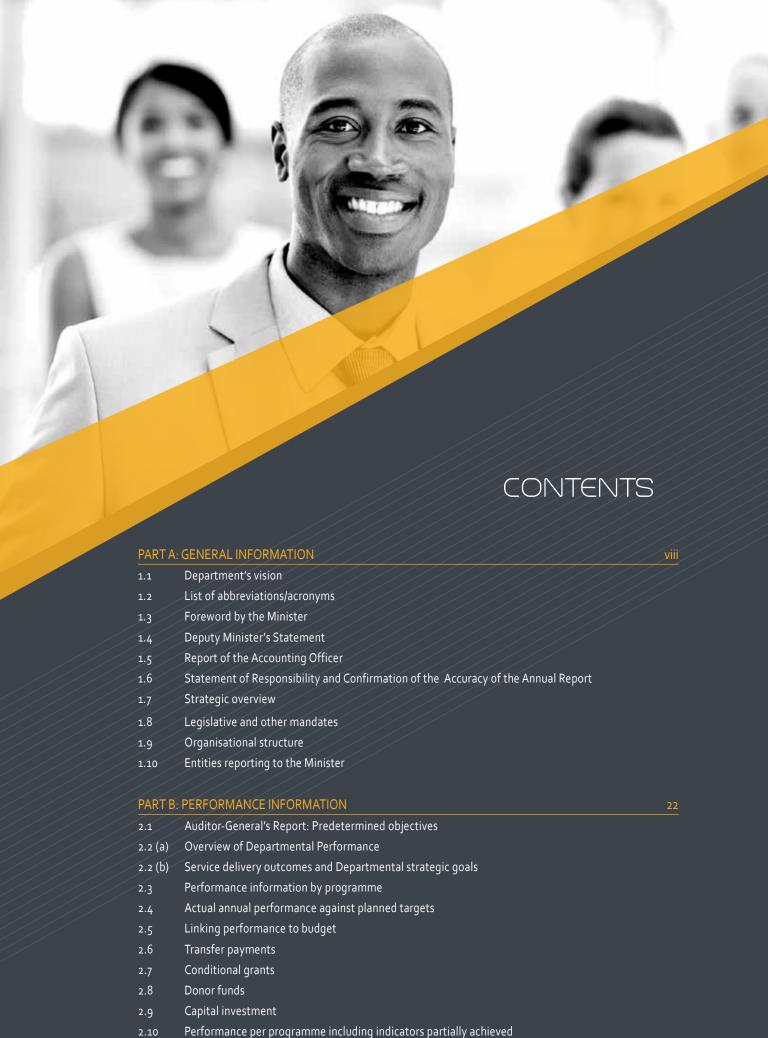








It is my privilege and honour to submit to you the Annual Report of the Department of Labour for the period 1 April 2015 to 31 March 2016, in terms of the Public Finance Management Act, 1999.







GENERAL INFORMATION

| 1,1 | Department's vision | |
|------|---|----|
| 1.2 | List of abbreviations/acronyms | |
| 1.3 | Foreword by the Minister | 2 |
| 1.4 | Deputy Minister's Statement | |
| 1.5 | Report of the Accounting Officer | 4 |
| 1.6 | Statement of Responsibility and Confirmation of the Accuracy of the Annual Report | 14 |
| 1.7 | Strategic overview | 15 |
| 1.8 | Legislative and other mandates | 16 |
| 1.9 | Organisational structure | 18 |
| 1.10 | Entities reporting to the Minister | 20 |



1.2 LIST OF ABBREVIATIONS/ACRONYMS

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

I thank you.

SP Holomisa, MP
Deputy Minister of Labour



1.5.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT.

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

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

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

1.5.2 CHALLENGES FACING THE DEPARTMENT AND KEY INTERVENTIONS

1.5.2.1 MODERATING WORKPLACE CONFLICT

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

KEY INTERVENTIONS

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

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

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

KEY INTERVENTIONS

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

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

1.5.2.3 KEY STRATEGIC INTERVENTIONS TO ADDRESS OPERATIONAL CHALLENGES

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

1.5.3 OVERVIEW OF THE RESULTS OF THE DEPARTMENT

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

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

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

GOVERNANCE

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

STRATEGIC DIRECTION

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

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

FINANCIAL MANAGEMENT

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

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

OPERATING ENVIRONMENT

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

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

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

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

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

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

1.5.4 PROJECTS FOR THE YEAR AND FUTURE YEARS

ENFORCING DECENT WORK PRINCIPLES

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

SUPPORTING WORK-SEEKERS

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

REGULATING THE WORKPLACE

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

1.5.5 FUTURE PLANS OF THE DEPARTMENT

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

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

1.5.6 OVERVIEW OF REVENUE RECEIVED

1.5.6.1 DEPARTMENTAL RECEIPTS

| Departmental receipts | 2015/2016 | | | 2014/2015 | | |
|---|-----------|-------------------------------|--------------------------------|-----------|-------------------------------|--------------------------------|
| | Estimate | Actual Amount Collected | (Over)/ Under Collection | Estimate | Actual Amount Collected | (Over)/ Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sales of goods and services other than capital assets | 4 511 | 4 141 | 370 | 3 277 | 3 956 | (679) |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | 1 506 | 1 009 | 497 | 60 | 4 | 56 |
| Interest, dividends and rent on land | 1 380 | 1 303 | 77 | 1 417 | 1 318 | 99 |
| Sale of capital assets | 300 | 105 | 195 | - | 1 108 | (1 108) |
| Financial transactions in assets and liabilities | 5 116 | 3 498 | 1 618 | 5 338 | 4 769 | 569 |
| Total | 12 813 | 10 056 | 2 757 | 10 092 | 11 155 | (1 063) |

1.5.6.1.1 Determination of tariffs

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

1.5.6.1.2 Free Services

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

1.5.6.1.3 Reasons for over/under collection of revenue

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

1.5.7 OVERVIEW OF EXPENDITURE PER PROGRAMME

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

1.5.7.1 BUDGET ALLOCATION FOR THE 2015/16 FINANCIAL YEAR

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

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

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

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

1.5.7.2 REASONS FOR UNDER SPENDING

Programme 1: Administration

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

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

Programme 3: Public Employment Services

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

Programme 4: Labour Policy and Industrial Relations

The under spending is mainly due to:

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

1.5.7.3 IMPACT ON PROGRAMMES AND SERVICE DELIVERY

No negative impact on programmes or service delivery.

1.5.7.4 ACTIONS TAKEN OR PLANNED, TO AVOID RECURRENCE

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

1.5.7.5 VIREMENT APPLIED

Virement was applied as follows:

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

Programme 1 and 2

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

Programme 3

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

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

Reason for Virement

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

Programme 4

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

Reason for Virement

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

Programme 1 - 4

Economic Classification

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

1.5.8 UNAUTHORISED, FRUITLESS AND WASTEFUL AND IRREGULAR EXPENDITURE

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

1.5.9 PUBLIC PRIVATE PARTNERSHIPS (PPP)

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

1.5.10 DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED.

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

1.5.11 NEW OR PROPOSED ACTIVITIES.

No new activities have been proposed.

1.5.12 SUPPLY CHAIN MANAGEMENT (SCM)

1.5.12.1 UNSOLICITED BID PROPOSALS CONCLUDED FOR THE YEAR UNDER REVIEW

No unsolicited bid proposals concluded for the year under review.

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

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

1.5.12.3 CHALLENGES EXPERIENCED IN SCM AND HOW THEY WERE RESOLVED

The main challenge remains understaffing at Provincial level.

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

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

1.5.14 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

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

1.5.15 OTHER

1.5.15.1 INTERIM FINANCIAL STATEMENTS

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

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

The Interim Financial Statements were approved by the Accounting Officer.

1.5.16 ACKNOWLEDGEMENT

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

1.5.17 APPROVAL

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

T Lamati

Director-General: Labour 29 July 2016





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

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

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

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

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

Yours faithfully

T Lamati

Director-General: Labour 29 July 2016



1.7.1. OUR VISION

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

1.7.2. OUR MISSION

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

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

1.7.3. OUR VALUES

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

1.8 LEGISLATIVE AND OTHER MANDATES

1.8.1 CONSTITUTIONAL AND LEGISLATIVE MANDATES

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

Section 9, to ensure equal access to opportunities

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

Section 18, freedom of association

Section 23, to ensure sound labour relations

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

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

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

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

The Department administers the following legislation:

| LEGISLATION | PURPOSE |
|--|--|
| Labour Relations Act, 66 of 1995 (LRA) | The Labour Relations Act (LRA), Act 66 of 1995 aims to promote economic development, social justice, labour peace and democracy in the workplace |
| The Basic Conditions of Employment Act, 75 of 1997 (BCEA) | The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are: To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by: Establishing and enforcing basic conditions of employment Regulating the variation of basic conditions of employment To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation |
| The Employment Equity Act, 55 of 1998 (EEA) | The purpose of the Act is to achieve equity in the workplace, by: Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce |
| The Unemployment Insurance Act, 30 of 1996 (UIA) | The Act empowers the UIF to register all employers and employees in South Africa for unemployment insurance benefits |
| The Occupational Health and Safety Act, 85 of 1993 (OHSA) | The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety |
| The Compensation for Occupational Injuries and Diseases Act, 130 of 1993 (COIDA) | To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith |
| National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC) | To provide for the establishment of the National Economic, Development and Labour Council; to repeal certain provisions of the Labour Relations Act, 1995; and to provide for matters connected therewith |
| Employment Services Act, 4 of 2014 Skills Development Act, 97 of 1998 | To provide for public employment services, their governance and functioning, including the registration of private employment agencies. To provide for the establishment and functioning of Productivity South Africa and the Sheltered Employment Factories |

1.8.2 POLICY MANDATES

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

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

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

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

1.9 ORGANISATIONAL STRUCTURE

TOP LEADERSHIP

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



▶ MN OLIPHANT MP, Minister of Labour

▶ **SP HOLOMISA** MP, Deputy Minister of Labour

▶ T LAMATI Director-General

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

Bill Gates



A MOILOA Deputy Director-General: Inspection and Enforcement Services



Deputy Director-General: Labour Policy and Industrial Relations



Corporate Services



Deputy Director-General: Public Employment Services









1.10 ENTITIES REPORTING TO THE MINISTER

The following entities report to the Minister of Labour:

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|---|--|---------------------------|--|
| Unemployment Insurance Fund | The Unemployment Insurance Act 63 of 2001 (UIA). The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short-term unemployment insurance to all workers who qualify for unemployment related benefits. The Fund is financed by a dedicated tax on the wage bill | Public Entity | Collection of unemployment insurance contributions and payment of benefits to qualifying contributors |
| Compensation Fund (CF) | The Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA). The CF's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases | Public Entity | Collection of contributions and payment of medical, compensation and pension benefits |
| Productivity South Africa | Section 21 Company – Companies Act, 1973. Productivity SA is mandated by Government, Organised Labour and Organised Business to improve the productive capacity of the economy and thus contribute to South Africa's socio-economic development and competitiveness | Public Entity | The functions of Productivity South Africa are: Promote a culture of productivity in the workplace Develop relevant productivity competencies Facilitate and evaluate productivity improvement and competitiveness in workplaces Measure and evaluate productivity in the workplace Maintain a data-base of productivity and competitiveness systems and to publicise these systems Undertake productivity-related research Support initiatives aimed at preventing job losses Perform any other prescribed function. |
| Commission for Conciliation, Mediation and Arbitration | The Labour Relations Act (LRA), No 66 of 1995. Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration. | Public Entity | The CCMA's compulsory statutory functions are to: Conciliate workplace disputes Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules Facilitate the establishment of workplace forums and statutory councils Compile and publish information and statistics about CCMA activities Accredit and consider applications for subsidy by bargaining councils and private agencies Provide support for the Essential Services Committee. |

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|---|---|---------------------------------------|---|
| National Economic Development and Labour Council (NEDLAC) | National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC). The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994, and operates in terms of its own constitution. The Act requires organised labour, organised business, community based organisations and Government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policies before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters | Public Entity | The NEDLAC Act requires the institution to: Strive to promote the goals of economic growth, participation in economic decision – making and social equity Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament Encourage and promote the formulation of coordinated policy on social and economic matters Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act |
| Supported Employment Enterprises | PFMA Act 1 of 1999 (as amended by Act 29 of 1999) | Business unit of the Department | The Supported Employment Enterprises were established in 1943 to provide employment for people with mental and physical disabilities that prevented them from entering the open labour market, due to the nature of their afflictions |



PERFORMANCE INFORMATION

| 2.1 | Auditor-General's Report: Predetermined objectives | 23 |
|---------|---|----|
| 2.2 (a) | Overview of Departmental Performance | 23 |
| 2.2 (b) | Service delivery outcomes and Departmental strategic goals | 23 |
| 2.3 | Performance information by programme | 24 |
| 2.4. | Actual annual performance against planned targets | 26 |
| 2.5 | Linking performance to budget | 61 |
| 2.6 | Transfer payments | 63 |
| 2.7 | Conditional grants | 64 |
| 2.8 | Donor funds | 64 |
| 2.9 | Capital investment | 64 |
| 2.10 | Performance per programme including indicators partially achieved | 65 |

2. PERFORMANCE INFORMATION

2.1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

2.2 (A) OVERVIEW OF DEPARTMENTAL PERFORMANCE

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

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

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

2.2(B) SERVICE DELIVERY OUTCOMES AND DEPARTMENTAL STRATEGIC GOALS

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

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

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

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

2.3 PERFORMANCE INFORMATION BY PROGRAMME

2.3.1 DESCRIPTION OF PROGRAMME

| PROGRAMME | PURPOSE |
|---|---|
| 1. Administration | Provides strategic direction, leadership and administrative support services to the ministry and the Department. |
| 2. Inspection and Enforcement Services | Inspection and Enforcement Services are aimed at ensuring a fair and equitable labour market where all players adhere to the provisions of legislation that governs the labour market. The main functions of the inspectorate are: |
| | a) To conduct workplace inspections and audits of Accredited Inspection Authorities (AIAs) to monitor and enforce compliance with labour legislation |
| | b) To provide advice, educate and give technical information and support services to empower both workers, employers and stakeholders and to prevent labour disputes and workplace accidents |
| | c) To investigate workplace health and safety incidents once reported. |
| 3. Public Employment Services (PES) | The main functions of Employment Services are to register work seekers, obtain vacancies and identify other opportunities so as to facilitate the entry and re-entry of work seekers into the labour market. Employment Services therefore has to be supported by two main pillars: The 'Employer Services' and 'Work Seeker Services'. The key services include: a) Registration of work seekers |
| | b) Placement of work seekers |
| | c) Employment Information and Guidance |
| | b) Special Labour market (employment) programmes |
| | c) Regulatory functions including registration and monitoring of private employment agencies |
| | Key interventions are through: |
| | Supported Employment Enterprise Factories which provide employment to people with disabilities Promotion of workplace productivity and competitiveness and social plan measures through Productivity SA Administration of income protection services Disbursement of unemployment and compensation for injuries and diseases benefits |
| 4. Labour Policy and Industrial Relations (LP and IR) | Labour Policy and Industrial Relations branch is responsible for formulating policy for eliminating inequality and discrimination, promoting labour standards and fundamental rights at work, including supervising Policy Research, Labour Market Information and Statistical Services. It also regulates labour and employer organisations and Bargaining Councils, deals with all the Department's responsibilities and obligations in relation to the International Labour Organisation and other International and regional bodies which the government of South Africa has formal relations with. It oversees the effective functioning of the CCMA and NEDLAC. |

2.3.2 DEPARTMENTAL PERFORMANCE ON ENE PERFORMANCE INDICATORS

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

2.3.3 DEPARTMENT PERFORMANCE PER STRATEGIC GOAL

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

2.3.4 DEPARTMENT PERFORMANCE PER PROGRAMME

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

2.3.5 IMPLICATION OF TARGET ACHIEVED/NOT ACHIEVED

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

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

The following Section presents actual performance per programme.

2.4.1 PROGRAMME 1: ADMINISTRATION

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

The programme consists of the following sub-programmes:

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

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

• Corporate Services:

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

| OUTCOME 12 | AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE | | |
|----------------|---|--|--|
| Strategic Goal | 8. Strengthen the institutional capacity of the Department | | |

| STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12) | | | | | | | |
|---|---|---|--|---|---|---|--|
| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS | |
| 1. Provide integrated business and service delivery solutions | 1.1 Strategic Plan and Annual Performance Plan approved and tabled as per prescribed timeframes | 2015/16 were | Annual Performance Plan approved by end of January for tabling in Parliament by 31 March | Achieved APP and SP were tabled on 7 March 2016 | None | None | |
| | 1.2 Improve the Department's performance based on the Management Performance Assessment Tool (M-PAT) assessment criteria Comply with 50% of the M-PAT standards per KPI at level 3 and 4 | Not Achieved 30% instead of the targeted 50%, of total Department's M-PAT standards are at level 3 by 31 March 2015, and 9% of total Department's M-PAT standards are at level 4 by 31 March 2015 | 55% of total Department's M-PAT standards per KPI at level 3 and 4 by 31 March 2016 | Not Achieved 37% of total Department MPAT standards per KPI are at level 3 and 4 | 18% | Better coordination and prioritization of M-PAT by the Department. This is an Indicator for the Department Strategic Plan and APP. | |
| | 1.3 Number of monitoring reports on Service Delivery Improvement Plan (SDIP) produced within 30 days after quarter end/year end | Not Achieved The SDIP was finalised in March 2015 but only approved on 16 April 2015 | 4 monitoring reports on SDIP produced within 30 days after quarter end/year end | Not Achieved The SDIP QR 4 was approved on 16 May 2016 | Submission beyond the due date | CF and PES inputs on SDIP were not submitted as per reporting timelines. | |
| 2. Implement Public Sector Risk Management Framework | 2.1 Number of Risk Reports set to minimize risk exposure and improve Risk Maturity level | Achieved 4 | 4 | Achieved 4 Risk Reports set to minimise risk exposure and improve risk maturity levels available | None | None | |

| STRATEGIC GOAL 8: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DEPARTMENT (OUTCOME 12) | | | | | | | |
|---|--|---|--|--|---|--|--|
| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS | |
| 3. Fraud Prevention and Security Strategy implemented | 3.1 Percentage of fraud cases received or detected finalised per year within 90 working days | Not Achieved 62% (39 of the 63) of fraud cases received or detected finalised by the year end | 95% | Not Achieved 42% (of the 86 fraud cases received or detected) 36 cases were finalised within 90 working days by the year end. | 2% (2 of the 86 cases were finalized outside 90 working days). 56% (48 of the 86 cases received were not finalised). | HQ investigation still in progress as there is reliance placed on our strategic partners (e.g.) State Organs Due to the complex nature of some HQ cases. The finalisation rate was greatly hampered. To recruit on the vacant and funded positions in 2016/17 financial year. Organisational reconfiguration and matrix management On the job training and transfer of skills where services of forensic firms are procured. HQ investigator replaced in April. SNG Service Provider assisting with backlog resolving. | |
| 4. Departmental Communication Strategy implemented | 4.1 Departmental Communication Strategy approved and implemented by end of March 2019 | Achieved Communication Strategy and 2014/15 Annual Action plan were approved. 85% of the implementation of the activities in the annual action plan was not achieved. | Communication Strategy and annual action plan approved 85% implementation of the activities in the annual action plan | Not Achieved Communication strategy 2016-2021 reviewed with the PCOs and entities. Awaiting approval from EXCO | Several new inputs had to be obtained. | Consulted with GCIS, Entities, PCOs as well as Deputy Director-General: Corporate Services. | |

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

| STRATEGIC GOAL 8: | STRENGTHENING THI | E INSTITUTIONAL CAP | ACITY OF THE DEPAR | TMENT (OUTCOME 1 | 2) | |
|--|--|--|---|---|---|---|
| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| 7. Effective Information Communication Technology services | 7.1 Implement effective ICT Governance framework | Achieved The annual ICT action plan was approved. 60% implementation of the ICT activities in the annual action plan was achieved. | Review and implement an ICT governance and ICT Policy frameworks | Not Achieved The SITA outsourced ICT strategic plan was finalised and ready very late in the financial year (22-03-2016) thus making it impossible to implement IT governance as proposed in the Strategy. | The SITA outsourced ICT strategic plan was finalized and ready very late in the financial year (22/03/2016) thus making it impossible to implement IT governance as proposed in the strategy. | The ICT strategy is now in place. IT governance shall be implemented ir alignment with the proposals of the strategy. |
| | 7.2 Annually review and implement the ICT strategy of the Department | | Implementation of the agreed strategic objective as specified in the Annual Action Plan | Not Achieved The SITA outsourced ICT strategic Plan was finalised and ready very late in the financial year (22-03-2016) thus making it impossible to identify and implement the ICT strategic objectives and the related workplan.) | The SITA outsourced ICT strategic plan was finalized and ready very late in the financial year (22/03/2016) thus making it not possible to identify and implement the ICT strategic objectives and related work plan. | The implementation of the 2016/17 work plan. |

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

| STRATEGIC GOAL 8 | STRENGTHENING TH | E INSTITUTIONAL CA | APACITY OF THE DEPAR | RTMENT (OUTCOME 1 | 2) | |
|--|---|------------------------------------|-----------------------------|---|---|-------------------------------|
| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| 10. Provision of Departmental Fleet Services that are suitable to Departmental needs | 10.1 Procurement of fleet vehicles in line with departmental benchmark | New Output | 100% | Achieved 172 Vehicles procured as approved by the Departmental Transport Advisory Committee. | None | None |
| | 10.2 Vehicles maintained in accordance with the manufacturers specifications | New Output | 100% | Achieved Of the 1046 vehicles in the Departmental fleet, 259 vehicles were due for service in the reporting period and all 259 vehicles were serviced according to the manufacturers specifications which equates to 100%. | None | None |

2.4.2 PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICES

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

The programme consists of the following sub-programmes:

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

| Outcome 4 | Improve the quality of labour market services to contribute to decent employment through inclusive economic growth |
|-----------------|--|
| Strategic Goals | 10. Promote equity in the labour market 3. Protect vulnerable workers 5. Strengthen occupational safety protection |

| | COMMENTS ON THE DEVIATIONS | | More requests | were received for DG Review from employers and has | resulted in the Branch | | | | | | | | | | | Employers were | be served with recommendations | within the specified timeframe | | | | | | | | | | | |
|--|--|---|-----------------|--|------------------------|------------|--------------------|-----|-------|-----|------|-------|-------|---------|---------|-------------------|--|--|----------------------|--------------------|-------------------|--|----------------|------|-----|-----|-----|-------|--|
| | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | | 81 | | | | | | | | | | | | | 14% | | | | | | | | | | | | | |
| | | | | 1750 | Variance |) 52 | 3 14 | | 1 6 | |) 20 | 4 | 3 2 | -1 | 1 81 | | d in reference to 1.1 ne review | % dealt with (as per served recommendations) | 100% | 11% | 109% | 100% | 100% | 100% | 40% | %26 | %92 | %98 | |
| | ACTUAL ACHIEVEMENT 2015/2016 | | | 831 employers were reviewed against the expected 750 | Actual reviewed | 118 170 | 24 38 | 1 | 48 54 | | 09 | 36 40 | 36 38 | 206 205 | 750 831 | | 86% of non-compliant employers of those reviewed in reference to 1.1 issued with a recommendation within 90 days of the review | Number of recommendations served within 90 davs | 155 | 4 | 82 | 54 | 7 | 80 | 14 | 36 | 142 | 574 | |
| | ACTU | | | yers were reviewed | Target | 11 | 2 | 192 | 7 | (1) | Φ | (1) | (1) | 20 | 75 | ved | n-compliant employ. h a recommendatior | Number of non-compliant employers | 155 | 38 | 75 | 54 | 7 | 80 | 35 | 37 | 187 | 899 | |
| | | | 750 Achieved | 831 emplo | Prov. | S | FS | GР | KZN | Ъ | MP | NC | MN | WC | Total | 100% Not Achieved | 86% of noi issued with | Prov. | 23 | FS | GP | KZN | <u>ا</u> | MP | NC | MN | WC | Total | |
| | PLANNED TARGET 2015/2016 | E 14) | 750 | | | | | | | | | | | | | 100% | | | | | | | | | | | | | |
| ENT SERVICES | ACTUAL ACHIEVEMENT 2014/2015 | STRATEGIC GOAL 10: PROMOTE EQUITY IN THE LABOUR MARKET (OUTCOME 14) | Achieved | 551 employers were reviewed against the | | | | | | | | | | | | Achieved | A total number of 176 (78 Public | and 98 Private) recommendations served and 13 (8 Public | to court. These were | companies supposed | to be dealt with; | ımplyıng that 100% પાર્કા તીલ્ફી‡ પ્યાં‡ર્ધ | was dealt with | | | | | | |
| PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | PROGRAMME PERFORMANCE INDICATOR | ROMOTE EQUITY IN THE L | 1.1 Number | of designated employers reviewed per | year to determine | employment | equity legislation | | | | | | | | | 1.2 Percentage of | employers of those reviewed in | reference to issued with a recommendation | the review | | | | | | | | | | |
| PROGRAMIME 2: INSP | KEY OUTPUTS | STRATEGIC GOAL 10: P | 1. Promotion of | Employment Equity in the labour market | | | | | | | | | | | | | | | | | | | | | | | | | |

| | COMMENTS ON THE DEVIATIONS | Training conducted by the branch assisted | to fast track the | process of procedural inspections and this | resulted in the branch | surpassing the target. | There was better | understanding by | nispectors on now to | inspections | | | | | None | | | | | | | | | | | | |
|---|--|---|---|--|------------------------|------------------------|--------------------|------------------|----------------------|-------------|----|-----|-----|-------|---------------------------------|--|---|---------------|--------------|------------|------|------|------|------|------|------|-------|
| | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 846 | | | | | | | | | | | | | None | | | | | | | | | | | | |
| | | | | Variance | 97 | 79 | 389 | 134 | 24 | 26 | 13 | 25 | 29 | 846 | | ere dealt with | % dealt with | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 102% | 100% |
| | ACTUAL ACHIEVEMENT 2015/2016 | | inspected | Actual Inspected | 479 | 247 | 2 335 | 782 | 144 | 152 | 85 | 157 | 641 | 5 022 | | 100% (1 040 of the 1 036) non-compliant workplaces were dealt with | Number of workplaces dealt with | 260 | 29 | 1 | 232 | 116 | 39 | 99 | 34 | 225 | 1 040 |
| | ACTUAL A 20, | | 5 022 designated employers were inspected | Target | 382 | 168 | 1 946 | 648 | 120 | 96 | 72 | 132 | 612 | 4 176 | | of the 1036) non-cor | Number of non-compliant workplaces | 260 | 29 | П | 232 | 116 | 39 | 99 | 34 | 221 | 1 036 |
| | | . 176 Achieved | 5 022 designa | Prov. | EC | FS | GP | KZN | П | MP | NC | NN | WC | Total | 100% Achieved | 100% (1 040 | Prov. | 23 | FS | GР | KZN | П | MP | NC | NN | WC | Total |
| | PLANNED TARGET 2015/2016 | 4 176 | | | | | | | | | | | | | 100% | | | | | | | | | | | | |
| ENT SERVICES | ACTUAL ACHIEVEMENT 2014/2015 | Not Achieved | 1 364 designated | employers were inspected. | | | | | | | | | | | Not Achieved | 93% (515 of the | 521) non-compliant workplaces were dealt with | | | | | | | | | | |
| PROGRAMIME 2: INSPECTION AND ENFORCEMENT SERVICES | PROGRAMME PERFORMANCE INDICATOR | 1.3 Number of designated | employers | Inspected per vear to determine | compliance with | employment | equity legislation | | | | | | | | 1.4 Percentage of non-complying | workplaces | inspected per year with reference to 1.3. | dealt with in | terms of the | Fauity Act | | | | | | | |
| PROGRAMIME 2: INSP | KEY OUTPUTS | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | COMMENTS ON THE DEVIATIONS | | of assessing the plans and this resulted in the branch surpassing | the target. There was | by inspectors on how | to assess plans | | | | | | | | fast track the process | of assessing the plans and this resulted in the branch surpassing | the target. There was | by inspectors on how | to assess plans | | | | | | | | |
|--|--|---|---|-----------------------|----------------------|-----------------|------|-----|-----|-----|------|-------|----------|---|---|-----------------------|----------------------|-----------------|-----|-----|-----|-----|-----|-----|-------|--|
| | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 12% | | | | | | | | | | | 11% | | | | | | | | | | | | | |
| | | %08 | % assessed | 100% | %92 | 99% | 100% | 46% | %06 | 82% | 100% | 95% | | %08 | % assessed | 100% | %09 | 100% | 82% | 79% | 25% | 64% | %08 | %96 | 91% | |
| | ACTUAL ACHIEVEMENT 2015/2016 | ed against a target of | Number of equity plans assessed | 170 | 29 | 195 | ο ο | 37 | 36 | 31 | 205 | 992 | | ed against a target of | Number of equity plans assessed | 479 | 149 | 2 3 3 4 | 639 | 114 | 88 | 54 | 126 | 614 | 4 597 | |
| | ACTUAL 20 | Achieved 92% of equity plans were assessed against a target of 80% | Number of employers reviewed in 1.1 | 170 | 38 | 197 | 04 | 80 | 40 | 38 | 205 | 831 | | 91% of equity plans were assessed against a target of 80% | Number of employers inspected in 1.3 | 479 | 247 | 2 335 | 782 | 144 | 161 | 85 | 157 | 641 | 5 031 | |
| | | 80% Achieved 92% of equit | Prov. | S | - S- | G-7 | N 0 | J M | S | MN | WC | Total | Achieved | 91% of equit | Prov. | EC | FS | GP | KZN | ГР | MP | NC | ΝN | WC | Total | |
| | PLANNED TARGET 2015/2016 | %08 | | | | | | | | | | | | | | | | | | | | | | | | |
| ENT SERVICES | ACTUAL ACHIEVEMENT 2014/2015 | New Output | | | | | | | | | | | | | | | | | | | | | | | | |
| PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | PROGRAMME PERFORMANCE INDICATOR | 1.5 Percentage of employment equity plans | of those companies inspected/ | reviewed in 1.1 | assessed annually | | | | | | | | | | | | | | | | | | | | | |
| PROGRAMME 2: INSP | KEY OUTPUTS | | | | | | | | | | | | | | | | | | | | | | | | | |

| PROGRAMME 2: INSPE | PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | ENT SERVICES | | | | | | | | | |
|----------------------------------|---|--|-----------------------------|-----------------------------|--|---------------------------------|----------------------------------|--------------------------------|-----------------------------------|--|--|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | | | ACTUAL ACHIEVEMENT 2015/2016 | HEVEMENT /2016 | | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| STRATEGIC GOAL 3: PRO | STRATEGIC GOAL 3: PROTECT VULNERABLE WORKERS OUTCOME 4) | RKERS OUTCOME 4) | | | | | | | | | |
| 2. Workers protected 2.1 | | Not Achieved | 135 356 | Achieved | | | | | | 10 951 | Blitz programmes and |
| inspection and enforcement of | workplaces inspected per year to determine | | | A total of 1. of 135 356 | A total of 146 307 workplaces were inspected against an annual target of 135 356 | olaces were i | nspected aga | ainst an ann | ual target | | raining conducted assisted the Branch in surpassing the target |
| labour legislation | compliance with Iabour legislation | inspected | | Prov. | Target to be Inspected | Total inspected | Actual complied | % complied | No. not complying | | |
| | | | | EC | 16 128 | 19 144 | 16 100 | 84% | 3 044 | | |
| | | | | FS | 10 680 | 11 729 | 10853 | 93% | 876 | | |
| | | | | GP | 28 848 | 30 985 | 26 187 | 85% | 4 798 | | |
| | | | | KZN | 29 784 | 33 299 | 27 392 | 82% | 5 907 | | |
| | | | | LP | 11960 | 12 284 | 8 638 | %02 | 3 646 | | |
| | | | | MP | 9 984 | 10 721 | 9 363 | 81% | 1 358 | | |
| | | | | NC | 5 7 1 2 | 6 111 | 5 260 | %98 | 851 | | |
| | | | | MN | 7 956 | 9 580 | 8 752 | 91% | 828 | | |
| | | | | WC | 14 304 | 12 454 | 6 362 | 51% | 6 092 | | |
| | | | | Total | 135 356 | 146 307 | 118 907 | 81% | 27 400 | | |
| , | | | | | | | | | | | |
| | 2.2 Percentage of | Not Achieved | 100% | Not Achieved | ved | | | | | -3 | Non-availability of |
| | workplaces inspected per | 91% of non-complying workplaces were dealt | | 97% of no notices w | 97% of non-complying workplaces were dealt with. A total of 29 015 notices were issued and 217 cases were referred to court. | orkplaces w 217 cases w | ere dealt wit ere referred | h. A total of to court. | 29 015 | | with notices resulting in |
| | year with reference to 2.1 dealt with in | with. A total of 27 291 notices were issued and 394 cases were | | Prov. | No. not complying w | No. of workplaces v | % of workplaces dealt with | Number of Notices issued | Number of cases referred to | | a need to conduct follow-up inspections |
| | relevant labour | | | EC | 3 044 | 3 044 | 100% | 3 044 | 19 | | |
| | legislation | | | FS | 876 | 804 | 95% | 992 | 52 | | |
| | | | | GP | 4 798 | 5 011 | 104% | 5 437 | 28 | | |
| | | | | KZN | 2 907 | 5 907 | 100% | 6 001 | 41 | | |
| | | | | П | 3 646 | 3 646 | 100% | 2 8 0 7 | 45 | | |
| | | | | MP | 1358 | 1 274 | 94% | 1691 | 20 | | |
| | | | | NC | 851 | 845 | %66 | 890 | 12 | | |
| | | | | M | 828 | 828 | 100% | 1019 | 0 | | |
| | | | | WC | 6 092 | 5 324 | 81% | 4 360 | 0 | | |
| | | | | Total | 27 400 | 26 683 | %26 | 29 015 | 217 | | |
| | | | | | | | | | | | |

| PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | ION AND ENFORCEME | INT SERVICES | | | | |
|--|--|--|--|---|--|--|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| 2.3 | 3 Number of advocacy and educational sessions conducted per year in identified sectors | Achieved 6 sessions conducted • 1 advocacy for contract cleaning • HBA Seminar • Shop stewards training (100 trained) • 2 Training sessions for the taxi Sector (262 people trained) • 1 Ministerial Imbizo for Agriculture and Forestry conducted in the Western Cape | 4 Seminars • Private security sector • Construction sector • Forestry sector • Hazardous biological agents biological sents trained) trained) | Not Achieved Four seminars were conducted with the following sectors: Construction Hazardous Biological Agents. Forestry Private Security Number of shop stewards trained in following sectors: Construction = 112 Shop stewards trained. Hazardous Biological agents = 60 Shop stewards trained. Forestry = 52 Shop stewards trained. Private security = 56 Shop stewards trained. | Construction - 112 shop stewards attended instead of the 150 target, therefore there was a deviation of 38 shop stewards Hazardous Biological agents - 60 shop stewards attended instead of 150, therefore there a deviation of 90 shop stewards Forestry - 52 shop stewards attended instead of 150, therefore there was a deviation of 98 shop stewards Private security - 56 shop stewards attended instead of 150, therefore there was a deviation of 94 shop stewards | Shop stewards were invited and confirmed their attendance for the training however they did not attend they did not attend |

| PROGRAMME 2: INSI | PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | ENT SERVICES | | | | | | | | |
|-------------------|--|---------------------------------|-----------------------------|-----------------------------|---|---------------------------------------|---------------------------------------|---------------------|--|--|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | | ACI | ACTUAL ACHIEVEMENT 2015/2016 | IENT | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| | 2.4 Percentage of | Not Achieved | %06 | 90% Not Achieved | pa | | | | -27% | -27% Non-availability |
| | inspections on request for work permits | 75% (730 of 968) requested | | 63% (626 of | 63% (626 of 994) requested investigations were conducted within 5 days. | าvestigations weı | re conducted wi | thin 5 days. | | or employers for scheduled appointments within |
| | conducted within 5 working days | | | Prov. | Number of request received | Number inspected within 5 days | % inspected within 5 days | Variance (%) | | the 5 day period |
| | | udys | | EC | 96 | 96 | 100% | 10% | | |
| | | | | FS | 13 | 11 | 85% | -5% | | |
| | | | | GР | 528 | 189 | 36% | -54% | | |
| | | | | KZN | 108 | 96 | %68 | -1% | | |
| | | | | LP | 84 | 84 | 100% | 10% | | |
| | | | | MP | 69 | 57 | 83% | -1% | | |
| | | | | NC | 6 | 7 | 78% | -12% | | |
| | | | | ΜN | 3 | 3 | 100% | 10% | | |
| | | | | WC | 84 | 83 | %66 | %6 | | |
| | | | | Total | 994 | 929 | % 89 | -27% | | |
| | | | | | | | | | | |
| | 2.5 One report | New Output | 1 Report | Achieved | | | | | None | None |
| | proposals to improve the capacity of the | | | A draft repo has been cr | A draft report on proposal to improve the capacity of the inspectorate has been crafted by external service provider (Ernest and Young) | o improve the ca I service provide | apacity of the ir er (Ernest and Y | spectorate oung) | | |
| | Inspectorate | | | | | | | | | |

| PROGRAMME 2: INSPL | PROGRAMIME 2: INSPECTION AND ENFORCEMENT SERVICES | IENT SERVICES | | | | | | | | |
|-----------------------|---|---|-----------------------------|---|--------------------|---------------------------------|---------------|----------------------|--|--|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | | ACTUAL AC | ACTUAL ACHIEVEMENT 2015/2016 | | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| STRATEGIC GOAL 5: STR | RENGTHENING OCCUPATI | STRATEGIC GOAL 5: STRENGTHENING OCCUPATIONAL SAFETY PROTECTION AND STRATEGIC GC | AND STRATEGIC GOAL 9: | DAL 9: DEVELOPMENT OF THE OCCUPATIONAL HEAITH AND SAFETY POLICIES (OUTCOME 4) | E OCCUPATION | VAL HEALTH A | ND SAFETY F | OLICIES (OUTO | OME 4) | |
| 3. Strengthen | 3.1 Number of | Achieved | 20476 | 20 476 Achieved | | | | | -1947 | -1 947 Blitz inspections |
| safety protection | inspected per | A total of 23 678 | | A total of 22 423 workplaces were inspected | splaces were i | nspected | | | | requests for OHS |
| | year to determine their compliance with the OHS | year to determine workplaces were their compliance inspected with the OHS | | Prov. Target to be Inspected | Total inspected | Actual complied | % complied | No. not complying | | inspections resulted in the branch over achieving the target |
| | legislation | | | EC 2 124 | 2 319 | 1 710 | 74% | 609 | | |
| | | | | FS 1 896 | 2 064 | 1361 | %99 | 703 | | |
| | | | | GP 5 604 | 5 908 | 3 786 | 64% | 2 122 | | |
| | | | | KZN 4 344 | 4 977 | 3 132 | 93% | 1845 | | |
| | | | | LP 1 428 | 1 725 | 789 | 46% | 936 | | |
| | | | | MP 820 | 930 | 909 | %59 | 324 | | |
| | | | | NC 420 | 449 | 230 | 51% | 219 | | |
| | | | | NW 1356 | 1 653 | 1 178 | 71% | 475 | | |
| | | | | WC 2 484 | 2 398 | 1510 | 93% | 888 | | |
| | | | | Total 20 476 | 22 423 | 14 302 | 64% | 8 121 | | |
| | | | | | | | | | | |

| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | | | ACTUAL ACH 2015/ | ACTUAL ACHIEVEMENT 2015/2016 | | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
|-------------|--|--|-----------------------------|-----------------------|---|--|----------------------------------|--------------------------------|--|--|---|
| | 3.2 Percentage of | Achieved | 100% | 100% Not Achieved | ved | | | | | -0.3% | |
| | non-complying workplaces inspected per | 106% was dealt with. A total of 6 570 notices | | 99.7% wa were refe | 99.7% was dealt with. A total of 9 490 notices were issued and 34 cases were referred to court. | otal of 9 49 | 0 notices we | re issued an | d 34 cases | | dealt with was misunderstood by Northern Cape |
| | year with reference to 3.1 dealt with in | were issued and 112 cases were referred to court | | Prov. | No. not complying wo | No. of workplaces v dealt with | % of workplaces dealt with | Number of Notices issued | Number of cases referred to court | | and affected their performance. This will be addressed in the 2016/17 financial |
| | legislation | | | 23 | 610 | 610 | 100% | 671 | 20 | | year. |
| | | | | FS | 712 | 712 | 100% | 802 | 4 | | |
| | | | | GP | 2 122 | 2 146 | 101% | 2 2 7 9 | 0 | | |
| | | | | N S | 1 845 | 1 845 | 100% | 2 000 | 0 | | |
| | | | | A M | 936 | 936 | 100% | 1095 | | | |
| | | | | ž Z | 232 | 171 | 78% | 185 | ی ص | | |
| | | | | 2 A | 484 | 484 | 100% | 919 | 0 | | |
| | | | | WC | 888 | 888 | 100% | 1 094 | 4 | | |
| | | | | Total | 8 168 | 8 144 | %2.66 | 9 490 | 34 | | |
| | | | | | | | | | | | |
| | 3.3 Percentage of | Not Achieved | %09 | 60% Achieved | | | | | | 22% | |
| | reported incidents investigated | 45% (of the 1 305 reported) 589 incidents | | 82% (of tl days. | 82% (of the 1 309 reported) 1 080 incidents were investigated within 90 days. | ed) 1 080 in | cidents were | investigated | d within 90 | | incidents in order to ensure investigation within 90 days |
| | within 90 days | were investigated within 90 days | | Prov. | Number of reported incidents | Number investigated within 90 days | | % investigated within 90 days | Variance (%) | | |
| | | | | EC | 136 | | 133 | %86 | 38% | | |
| | | | | FS | 62 | | 34 | 22% | -5% | | |
| | | | | GP | 380 | | 390 | 103% | 43% | | |
| | | | | KZN | 179 | | 113 | 93% | 3% | | |
| | | | | Ъ | 26 | | 34 | 61% | 1% | | |
| | | | | MP | 83 | | 40 | 48% | -12% | | |
| | | | | NC | 48 | | 33 | %69 | %6 | | |
| | | | | MN | 110 | | 48 | 44% | -16% | | |
| | | | | MC | 255 | | 255 | 100% | 40% | | |
| | | | | Total | 1 309 | | 1 080 | 82% | 22% | | |

| PROGRAMME 2: INS | PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | ENT SERVICES | | | | | | | |
|------------------|---|--|--|---|---|--|---|--|--|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | | ACTL | ACTUAL ACHIEVEMENT 2015/2016 | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| | 3.4 Percentage of applications for | | 100% | Not Achieved | | | | 28% | Outstanding of required |
| | registration of entities processed within 4 weeks | | | Ġ. | Number of applications received | Number processed within 4 weeks | % processed within 4 weeks | | documentation by employers which lead to delay on processing |
| | | were processed within 4 weeks). | | Total | 4 828 | 3 453 | 72% | | or applications |
| | | | | | | | | | |
| | 3.5 Processing of the amendments to the Occupational | Not Achieved The Bill submitted to NEDLAC | OHS Amendment Bill submitted to NEDLAC | Achieved The OHS Bill w | vas finalised at N discussion of th | Achieved The OHS Bill was finalised at NEDLAC. No further sessions were scheduled for discussion of the Bill in the new financial year. | sessions were ncial year. | None | None |
| | realth and salety Act and regulations through the | Draft Major Hazardous Installation | amended | The NEDLAC process is produce a final report. Bill to be submitted to | orocess is consid al report. nitted to the Clu | The NEDLAC process is considered finalised and NEI produce a final report. Bill to be submitted to the Cluster in Q1 of 2016/17 | The NEDLAC process is considered finalised and NEDLAC was required to produce a final report. Bill to be submitted to the Cluster in Q1 of 2016/17 | | |
| | structures | (MHI) Regulations were developed | | Three Regulat Regulation an | ions amended – d the Major Haz | Three Regulations amended – Explosives Regulation; Ergonomics Regulation and the Major Hazard Installation Regulation | on; Ergonomics ılation | | |
| | | | | Explosives Reg Only one regu | gulations amenc Ilation was giver | Explosives Regulations amended is to be published for public comme Only one regulation was given permission by ACOHS to be published | Explosives Regulations amended is to be published for public comment. Only one regulation was given permission by ACOHS to be published | | |
| | | | | The Business or Ergonomics Re be published a by the Depart | constituent of A egulation and th as one member ment of Labour | The Business constituent of ACOHS did not give permission for the Ergonomics Regulation and the Major Hazard Installation Regulatio be published as one member was not satisfied despite the extra eff by the Department of Labour and the additional session arranged | The Business constituent of ACOHS did not give permission for the Ergonomics Regulation and the Major Hazard Installation Regulation to be published as one member was not satisfied despite the extra effort by the Department of Labour and the additional session arranged | | |

| | COMMENTS ON THE DEVIATIONS | 712 Addition of cars | resulted in the branch | surpassing the target | | | | | | | | | | | |
|--|--|----------------------|---|--------------------------|-----------|-----------------|-----------|--------------|----------------|-----|-----|-----|-------|--------|--|
| | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 712 | | | | | | | | | | | | | |
| | | | | Variance | 132 | -19 | 99 | 249 | 9/ | 29 | 136 | 48 | -5 | 712 | |
| | ACTUAL ACHIEVEMENT 2015/2016 | | e conducted | Actual | 1 272 | 1 169 | 2 2 2 6 2 | 2 021 | 1360 | 686 | 916 | 756 | 1 543 | 12 288 | |
| | ACTUAL AC | | 12 288 employer payroll audits were conducted | Target | 1 140 | 1 188 | 2 196 | 1 772 | 1 284 | 096 | 780 | 208 | 1 548 | 11 576 | |
| | | 576 Achieved | 12 288 employer | Prov. | EC | FS | GP | KZN | ГЬ | MP | NC | NW | WC | Total | |
| | PLANNED TARGET 2015/2016 | 11576 | | | | | | | | | | | | | |
| ENT SERVICES | ACTUAL ACHIEVEMENT 2014/2015 | Not Achieved | 5 378 employer payroll | audits were conducted | | | | | | | | | | | |
| PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES | PROGRAMME PERFORMANCE INDICATOR | 3.6 Number of | audits conducted | per year to determine | employers | contribution to | the | Unemployment | Insurance Fund | | | | | | |
| PROGRAMME 2: INSP | KEY OUTPUTS | | | | | | | | | | | | | | |

2.4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

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

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

The programme consists of the following sub-programmes:

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

The programme has oversight over the following entities:

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

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

| PROGRAMME PROGRAMME PLANNED TRACE PLAN | ME 3: PUBL GOAL 2: CO | PROGRAMIME 3: PUBLIC EMPLOYMENT SERVICES STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMEI | PROGRAMIME 3: PUBLIC EMPLOYMENT SERVICES STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | 1ES 4 AND 5) | ı | ı | ı | |
|--|--------------------------|---|--|--|--|--|---|---|
| Number of Mot Achieved 10-12 regulations relating Not Achieved 10-12 regulations of the Intellegulations of Intellegulations o | | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIE 2015/20 | VEMENT 16 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| The Branch successfully consulted with the State Law Advisors and the Presidency regarding the promulgation of the promulgation of the ES Act was promulgated on promulgated on government Gazette by March 2016 March 2016 The Branch successfully Call 3 Draft regulations approved by the Deputy Director-By the Deputy Di | | | | 3 regulations relating to: 1. Private Employment Agencies, Temporary Employment | Not Achieved Draft Regulations on Private Employme Employment Services; Registration of w of Foreign Nationals were forwarded to 12/06/2015. | nt Agencies/Temporary ork-seekers; and Employment the DDG: PES and approved on | 3 Final regulations not yet published in the Government Gazette | Delays in the establishment of the Employment Services Board |
| consulted with the State Law Advisors and the work-seekers Presidency regarding the promulgation of the promulgation of the promulgation of the promulgated on section `\$2 PAugust 2015 Minister in Government Gazette by Gazette by March 2016 March 2016 March 2016 Q1 3. The procedure for employment of foreign nationals, section `\$2 9 August 2015 March 2016 Q1 3. The procedure for employment of foreign nationals, section `\$2 9 August 2015 March 2016 Q2 3 Draft regulations approved by Employment of by ES Board by end of Government September 2015 Q2 Q3 Q3 Q4 Q4 3 Final regulations certified by the Minister and published in the Government Gazette by March 2016. | | Government | The Branch successfully | 13 and 52 | | Actual Performance | | |
| published by the Minister in Government Government Gazette by March 2016 State Law advisor by end of regulations submitted to State Law advisor by end of December 2015 Q4 3 Final regulations certified by the State Law advisors, approved by the Minister and published in the Government Gazette by March 2016. | | | | 2. Registration of work-seekers section 52 3. The procedure for employment of foreign nationals, section '52 | | | | |
| Q3 3 ES Board approved regulations submitted to State Law advisor by end of December 2015 Q4 3 Final regulations certified by the State Law advisors, approved by the Minister and published in the Government Gazette by March 2016. | | | 9 August 2015 | published by the Minister in Government | | Draft Regulations not tabled before the ES Board | | |
| 3 Final regulations certified by the State Law advisors, approved by the Minister and published in the Government Gazette by March 2016. | | | | Gazette by March 2016 | - | Regulations not submitted to State Law advisors | | |
| | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | 6 Over-achievement was due to community demand for the service because of the high rate of unemployment | | | | | | | | | | | | 270 | | | | | | | | | | | |
|---|--|---|---|---------------------------|----|----|----|-----|---|----|----|----|----|-------|-------|---------------------------|----|----|----|-----|----|----|----|----|----|-------|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | | | | | | | | | | | | | 27 | | | | | | | | | | | |
| | | | ocal campaigns | Variance | 2 | 0 | 1 | -1 | 0 | 0 | 0 | 5 | T- | 9 | | Variance | 45 | 15 | 4- | 71 | 45 | 0 | 64 | 36 | -2 | 270 |
| | | ACTUAL ACHIEVEMENT 2015/2016 | onducted and 648 | Actual Advocacy campaigns | 4 | 2 | 3 | 1 | 2 | 2 | 2 | 7 | 1 | 24 | | Actual Advocacy campaigns | 93 | 48 | 74 | 119 | 84 | 42 | 85 | 99 | 37 | 648 |
| | | ACTUAL AC | Achieved 24 Provincial advocacy campaigns conducted and 648 local campaigns conducted. Provincial | Target A | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 18 | | Target A | 48 | 33 | 78 | 48 | 39 | 42 | 21 | 30 | 39 | 378 |
| | | | Achieved 24 Provincial ad conducted. Provincial | Prov. | EC | FS | GP | KZN | П | MP | NC | NW | WC | Total | Local | Prov. | EC | FS | GP | KZN | ГЬ | MP | NC | NW | WC | Total |
| | 1ES 4 AND 5) | PLANNED TARGET 2015/2016 | 18 provincial and 378 local advocacy campaigns conducted by March 2016 | | | | | | | | | | | | | | | | | | | | | | | |
| CES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Achieved 18 Provincial and 518 local campaigns were conducted | | | | | | | | | | | | | | | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | ONTRIBUTE TO EMPLOY | PROGRAMME PERFORMANCE INDICATOR | 1.2 Number of PES provincial and local advocacy campaigns conducted per year | | | | | | | | | | | | | | | | | | | | | | | |
| PROGRAMME 3: PUBL | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | The advocacy | increased the number | of clients registering as work-seekers. | | | | | | | | | | | | |
|---|--|---|---------------|----------------------------------|---|---------------------|-------------------|----------|---------|--------|--------|--------|--------|--------|--------|---------|--|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 34 503 | | | | | | | | | | | | | | |
| | | | | | Variance | 5 440 | -12 902 | -20 092 | 18 168 | -3 035 | 3 300 | 3 059 | 3 297 | -7 209 | 44 477 | 34 503 | ffice and may differ from ne |
| | | ACTUAL ACHIEVEMENT 2015/2016 | | | Actual registered | 77 440 | 35 098 | 105 908 | 126 168 | 20 962 | 57 300 | 27 059 | 39 297 | 70 791 | 44 477 | 634 503 | Other indicates work-seekers registered at Head Office and on-line Due to ICT limitations the annual total per province may differ from the annual statistics but the total will remain the same |
| | | ACTUAL 2 | | 634 503 work-seekers registered. | Target to be registered | 72 000 | 48 000 | 126 000 | 108 000 | 54 000 | 54 000 | 24 000 | 36 000 | 78 000 | 0 | 000 009 | idicates work-seekers CT limitations the ann ual statistics but the to |
| | | | 000 Achieved | 634 503 wo | Prov. | E | FS | GP | KZN | LP | MP | NC | NN | WC | Other | Total | * Other ir on-line * Due to I the ann |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | 000 009 | | | | | | | | | | | | | | |
| /ICES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Not Achieved | A total of 618 570 (95% | of target) work-seekers were registered, and | is reflected on the | branches business | 3)315113 | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | DNTRIBUTE TO EMPLO | PROGRAMIME PERFORMANCE INDICATOR | 1.3 Number of | registered on | ESSA per year | | | | | | | | | | | | |
| PROGRAMME 3: PUBL | STRATEGIC GOAL 2: CC | KEY OUTPUTS | | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | - 41 139 Under-achievement was due to: | Insufficient staff | resources - unfilled ESP positions | IT system challenges - | extensive downtime. | | | | | | | | | | | |
|---|--|---|--|--|--|------------------------|---------------------|---------|--------|--------|--------|---------|--------|--------|-------|---------|--|--|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | - 41 139 Un | sul | res ESI | <u>=</u> | ext | | | | | | | | | | | |
| ı | | | | counseling. | Variance | -9 043 | -1 687 | -12 316 | 3 551 | -1 238 | -4817 | -8 120 | -831 | -7 549 | 911 | -41 139 | ad Office ay differ from ie | |
| ı | | IIEVEMENT '2016 | | with employment o | Actual provided with counselling | 27 717 | 18 409 | 39 444 | 31 455 | 24 062 | 23 087 | 9 3 6 8 | 21 865 | 12 543 | 911 | 208 861 | dified by staff at He otal per province m will remain the sam | |
| | | ACTUAL ACHIEVEMENT 2015/2016 | þa | 208 861 work-seekers were provided with employment counseling. | Target to be provided with counseling | 36 760 | 20 096 | 51 760 | 27 904 | 25 300 | 27 904 | 17 488 | 22 696 | 20 002 | 0 | 250 000 | Other indicates work-seekers modified by staff at Head Office and on-line Due to ICT limitations the annual total per province may differ from the Annual statistics but the total will remain the same | |
| ١ | | | 250 000 Not Achieved | 208 861 wc | Prov. | EC | FS | GP | KZN | Ъ | MP | NC | MN | WC | Other | Total | * Other indica and on-line * Due to ICT li the Annual s | |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | 250 000 | | | | | | | | | | | | | | | |
| CES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Achieved | A total of 246 744 work- | seekers were provided with employment | 8 | | | | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | ONTRIBUTE TO EMPLOYI | PROGRAMME PERFORMANCE INDICATOR | 1.4 Number of registered | work-seekers | | vear | | | | | | | | | | | | |
| PROGRAMME 3: PUB | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | -14 073 Insufficient staff | employment | counselor and ESP positions | | | | | | | | | | | | |
|---|--|---|----------------------------|---------------------------------|--|------------|---------------|----------|-------|--------|--------|-------|--------|--------|-------|---------|---|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | -14 073 | <u> </u> | | | | | | | | | | | | | |
| | | | | | Variance | -881 | -1 467 | -3 482 | -418 | -1 353 | -1 970 | -470 | -1 576 | -2 480 | 24 | -14 073 | fice and on-line may differ from me |
| | | ACTUAL ACHIEVEMENT 2015/2016 | | | Actual Placed | 2 369 | 783 | 1 268 | 2 832 | 1 397 | 780 | 780 | 174 | 520 | 24 | 10 927 | rtaken at Head Off total per province will remain the sa |
| | | ACTUAL AC 2015 | | cers were placed | Target to be placed | 3 250 | 2 250 | 4 750 | 3 250 | 2 750 | 2 750 | 1 250 | 1 750 | 3 000 | 0 | 25 000 | Other indicates placement undertaken at Head Office and on-line Due to ICT limitations the annual total per province may differ from the annual statistics but the total will remain the same |
| | | | 25 000 Not Achieved | 10 927 work-seekers were placed | Prov. | EC | FS | GP | KZN | ГЬ | MP | NC | NN | WC | Other | Total | * Other indicate* Due to ICT limthe annual sta |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | 25 000 | | | | | | | | | | | | | | |
| ICES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Not Achieved | A total of 14 634 (73%) | work-seekers were placed against a target | of 20 000. | | | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | ONTRIBUTE TO EMPLOY | PROGRAMME PERFORMANCE INDICATOR | 1.5 Number of | work-seekers | placed in registered | employment | opportunities | hei yeai | | | | | | | | | |
| PROGRAMME 3: PUBL | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | 40 631 More local advocacy | increased the number | of opportunities registered by | empioyers | | | | | | | | | | | |
|---|--|---|----------------------------|---|-----------------------------------|------------|-------|--------|---------|--------|--------|-------|-------|--------|-------|---------|---|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 40 631 | | | | | | | | | | | | | | |
| | | | | | % of registered opportunities | 119% | 151% | 137% | 128% | 209% | 152% | 204% | 119% | 763% | %0 | 166% | ice and On line may differ from ne |
| | | rement 16 | | stered | Variance | 1 560 | 2 832 | 4319 | 2 2 7 2 | 7 440 | 3 575 | 3 230 | 837 | 12 122 | 2 444 | 40 631 | ed at Head Offi I per province r remain the san |
| | | ACTUAL ACHIEVEMENT 2015/2016 | | oortunities regis | Actual registered | 9 620 | 8 412 | 16 099 | 10 332 | 14 260 | 10 395 | 6 330 | 5 177 | 19 562 | 2 444 | 102 631 | tunities register the annual tota ut the total will |
| | | | | 102 631 Employment opportunities registered | Target to be registered | 8 060 | 5 580 | 11 780 | 8 060 | 6 820 | 6 820 | 3 100 | 4 340 | 7 440 | 0 | 62 000 | Other indicates opportunities registered at Head Office and On line Due to ICT limitations the annual total per province may differ from the annual statistics but the total will remain the same |
| | | | 62 000 Achieved | 102 631 E | Prov. | EC | FS | GP | KZN | LP | MP | NC | MN | WC | Other | Total | * Other i * Due to the anr |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | 62 000 | | | | | | | | | | | | | | |
| ICES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Achieved | A total of 74 056 | employment opportunities were | registered | | | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | ONTRIBUTE TO EMPLOY | PROGRAMME PERFORMANCE INDICATOR | 1.6 Number of | opportunities | registered on ESSA per year | | | | | | | | | | | | |
| PROGRAMME 3: PUBI | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | 116 Staff capacity: Inspection of premises | of PEA applicants | Irregular adjudication meetings of | applications | | | | | | | | | | |
|---|--|---|---|---|---------------------------------------|------------------------------|----------------|---------|--------|------|------|-----|----|------|---------|--|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 116 | | | | | | | | | | | | | |
| | | | | essed beyond 60 days. | Number processed after 60 days | 28 0 | 11 0 | 77 53 | 15 29 | 18 0 | 4 23 | 1 2 | 0 | 9 26 | 31 116 | ocessed is due to e carried to 2016/17 |
| | | ACTUAL ACHIEVEMENT 2015/2016 | | າ 60 days and 116 proce | Actual processed within 60 days | 28 2 | 9 | 148 107 | 40 | 18 | 27 | 3 | 3 | 97 | 373 281 | ations received and pro |
| | | ¥ | Not Achieved | 281 PEAs processed within 60 days and 116 processed beyond 60 days. | Prov. Total received during | EC | | GP | KZN | LP | MP | NC | NW | WC | Total | The difference in applications received and processed is due to backlog from 2014/15 Applications received towards year end, will be carried to 2016/17 |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | All complete PEA | ithin 60 pt | | ш | FS | 9 | \sim | | 2 | 2 | Z | > | F | * * |
| CES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | Not Achieved | Private Employment Agencies 320 (of 354) | PEAs were registered | 17 (01 30) 1 ES WERE | 5000 | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | NTRIBUTE TO EMPLOY | PROGRAMIME PERFORMANCE INDICATOR | 1.7 Private Fmolovment | Agencies and Temporary | Employment Services | registered within 60 days | Within 60 days | | | | | | | | | |
| PROGRAMME 3: PUBL | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | Changes introduced in the new Immigration Regulations that became effective from 26 May 2014 | and insufficient staff to deal with increased volumes of applications | ESSA system challenges | | | | | | | | | | | |
|---|--|---|--|--|---|----------------|-----|-----|-----|-------|-----|---|-----|-----|---------|---|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 57 C tt | <u>o</u> | ШО | | | | | | | | | | | |
| | | | essed | pekouq | Finalised sysb 08 | 0 | 2 | 9 | 1 | 37 | 7 | 0 | 2 | 2 | 57 | .o 16/17 were |
| | | | Not Achieved 34 Corporate applications processed within 30 days and 57 processed beyond 30 days. | nidtiw | Finalised sysb 08 | 0 | 2 | 3 | 0 | 25 | 4 | 0 | 0 | 0 | 34 | The difference in applications received and processed is due to backlog from 2014/15 Applications received towards year end, will be carried to 2016/17 303 individual work visas processed within 30 days and 1252 were processed beyond 30 days |
| | | <u>k</u> | 0 days an | endation | evitegaM mmoɔən | 0 | 350 | 197 | 0 | 1 191 | 25 | 0 | 405 | 0 | 2 168 | d processe ill be carr on 30 days i |
| | | ACTUAL ACHIEVEMENT 2015/2016 | d within 3 | пойвьпе | evitiso9 mmoɔən | 0 | 197 | 546 | 69 | 4 936 | 562 | 0 | 370 | 225 | 6 905 | ceived and ar end, w |
| | | CTUAL AC 2015 | processed | orkers | ow fo oV | 0 | 547 | 743 | 69 | 6 127 | 587 | 0 | 775 | 225 | 9 0 7 3 | ations rec wards ye as process |
| | | ¥. | olications | p: suoi | Applicati processe | 0 | 4 | 6 | 1 | 62 | 11 | 0 | 2 | 2 | 91 | in applic 2014/15 eceived to work visa |
| | | | Not Achieved 34 Corporate app beyond 30 days. | suo! | risoilqqA bevieseA | 0 | 4 | 6 | œ | 58 | 16 | 4 | 2 | 3 | 66 | The difference in applicatio backlog from 2014/15 Applications received towa 303 individual work visas p processed beyond 30 days |
| | | | Not Achieved 34 Corporate beyond 30 da | | .vor9 | EC | S | GP | KZN | Ъ | MP | 2 | ΝN | MC | Total | * The character Appl 303 i proc |
| | NES 4 AND 5) | PLANNED TARGET 2015/2016 | All complete applications for foreign nationals corporate and individual work visa | processed within 30 working days | | | | | | | | | | | | |
| ICES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | work visas vidual work tions were | | Individual permits (68% achieved) 502 processed | within 30 days | | | | | | | | | | |
| PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | DNTRIBUTE TO EMPLOY | PROGRAMME PERFORMANCE INDICATOR | 2.1 Applications for Not Achieved foreign antionals (95 corporate corporate and visas) applications (100 to 100 to | visa processed within 30 working days | | | | | | | | | | | | |
| PROGRAMME 3: PUB | STRATEGIC GOAL 2: CO | KEY OUTPUTS | 2. Foreign nationals individual and corporate work visas processed | | | | | | | | | | | | | |

| | | COMMENTS ON THE DEVIATIONS | 1252 IT system downtime | resulted in the delay of the verification of available work-seekers | | | | | | | | | | | |
|--|--|---|-------------------------|---|----|----|-----|-----|----|----|----|----|-----|-------|---|
| | | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | 1252 | | | | | | | | | | | | |
| | | | | Finalised beyond 30 days | 51 | 10 | 779 | 121 | 25 | 29 | 3 | 18 | 216 | 1 252 | .06/17 |
| | | | | nintiw besileniT 30 days | 48 | 2 | 77 | 29 | 22 | 21 | 2 | 7 | 103 | 314 | The difference in applications received and processed is due to backlog from 2014/15 Applications received towards year end, will be carried to 2016/17 |
| | | ۲ | | Negative recommendation | 78 | 12 | 790 | 141 | 42 | 36 | 7 | 23 | 291 | 1420 | ill be carri |
| | | ACTUAL ACHIEVEMENT 2015/2016 | | Positive recommendation | 6 | 0 | 61 | 7 | 5 | 3 | 0 | 2 | 23 | 110 | eived and ar end, w |
| | | CTUAL AC 2015 | | No of workers | 66 | 12 | 856 | 150 | 47 | 50 | 8 | 25 | 319 | 1566 | ations rec wards ye |
| | | Ā | MITS | Applications pscsesed | 66 | 12 | 856 | 150 | 47 | 50 | 8 | 25 | 319 | 1566 | in applic 2014/15 eceived to |
| | | | INDIVIDUAL PERMITS | enotheoilqqA bevieceA | 81 | 11 | 386 | 65 | 41 | 57 | 9 | 23 | 279 | 949 | The difference in applic backlog from 2014/15 Applications received to |
| | | | INDIVID | Prov. | S | FS | GP | KZN | LP | MP | NC | NN | MC | Total | * The c back * Appli |
| | IES 4 AND 5) | PLANNED TARGET 2015/2016 | | | | | | | | | | | | | |
| ICES | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND 5) | ACTUAL ACHIEVEMENT 2014/2015 | | | | | | | | | | | | | |
| PROGRAMIME 3: PUBLIC EMPLOYMENT SERVICES | NTRIBUTE TO EMPLOY | PROGRAMME PERFORMANCE INDICATOR | | | | | | | | | | | | | |
| PROGRAMME 3: PUBL | STRATEGIC GOAL 2: CO | KEY OUTPUTS | | | | | | | | | | | | | |

| PROGRAMIME 3: PUB | PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES | ICES | | | | |
|--|---|---|---|--|---|-------------------------------|
| STRATEGIC GOAL 2: CO | ONTRIBUTE TO EMPLOY | STRATEGIC GOAL 2: CONTRIBUTE TO EMPLOYMENT CREATION (OUTCOMES 4 AND S) | 1ES 4 AND 5) | | | |
| KEY OUTPUTS | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMIENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| 3. Statutory bodies and designated organisations funded and monitored. | 3.1 Number of between DG and CEOs of statutory bodies and designated organisations, funding transferred and performance reports monitored per year. | Achieved During Quarter 1: Tender specifications were published on the government gazette dated 27 June 2014 with the closing date of 11 July 2014 During Quarter 2: Tender Lab 03 and Lab 04 were published in the Government Gazette. For Tender Lab 04 (Subsidy Scheme for Placement Officials) no bidders were found that submitted the correct documentation according to Supply Chain Procedures During Quarter 3: MOAs were concluded with disability organisations During Quarter 4: The outstanding MOA's for placement officers (SANCB and NCPDDSA) were signed off. Six Workshops for the Blind (100%) and two National Councils (100%) were monitored through personal visits. Performance was monitored for Q3 and Q4. Quarterly reports were consolidated for 100% organisations up to Q3-awaiting Q4 reports | 8 MoAs signed between DG and CEOs of statutory bodies and designated organisations and funding transferred and performance monitored by the end of March 2016 | Achieved 9 MoAs were signed between the DG and the CEOs of the statutory bodies. (8 with Workshops for the Blinds and National Councils for the Bilinds and 1 for Productivity SA) Performance agreements were concluded with the CEO of SEE and the CF Commissioner as the DG is the Accounting Officer of the two entities. Performance of the statutory bodies, designated organisations and entities monitored quarterly. Funding transferred. Progress Against Target: Mod's with the workshops 1. Mod's for the 3 years (2015-2018) signed by the DG 2. Performance was reviewed for all workshops 3. Funding transferred for the year 2015/16 is R10 340 538.32 Progress Against Target: Mod's with councils/federations 1. Mod's for the 3 years (2015-2018) signed by the DG 2. Performance was reviewed for all the councils 3. Funding transferred for the year 2015/16 is R 725 070.80 Supported Employment Enterprises (SEE) 2. Performance of the Supported Employment Enterprises reviewed 3. Funding transferred for the year 2015/16 is R 134 164 001 Productivity SA Productivity SA Productivity SA reviewed 3. Funding transferred for the year 2015/16 is R 45 531 000 2. Performance of Productivity SA reviewed 3. Funding transferred for the year 2015/16 is R 85 531 000 | None | None |

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

2.4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

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

The programme consists of the following sub-programmes:

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

| Outcome 4 | Improve the quality of labour market services to contribute to decent employment through inclusive economic growth |
|-----------------|--|
| Strategic Goals | 10. Promote equity in the labour market3. Protect vulnerable workers6. Promote sound labour relations7. Monitor the impact of legislation |
| Outcome 11 | Creating a better South Africa and contributing to a better and safer Africa |
| Strategic Goal | 4. Strengthen multilateral and bilateral relations |

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

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

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

| PROGRAMME 4: LABO | PROGRAMIME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS | TRIAL RELATIONS | | | | |
|---|--|---|--|--|--|---|
| KEY OUTPUTS | PROGRAMIME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2014/2015 | PLANNED TARGET 2015/2016 | ACTUAL ACHIEVEMENT 2015/2016 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | COMMENTS ON THE DEVIATIONS |
| STRATEGIC GOAL 7: MO | DNITORING THE IMPACT | STRATEGIC GOAL 7: MONITORING THE IMPACT OF LEGISLATION (OUTCOME 4) | | | | |
| 6. Impact of legislation and labour market trends monitored and evaluated | 6.1 A number of labour market trends reports published and research reports produced | By 4 September 2014, four annual labour market reports were published. These include: Annual Administrative Statistics report 2013, Industrial Action report 2013, Industrial Action report 2013, Job Opportunity and Unemployment in the SA Labour Market report 2013/14 and Annual Labour Market Bulletin 2013/14. Media statements were also released for all annual reports by September 2014 By March 2015, two annual reports were finalised and submitted to the Minister for approval. These include: Industrial Action Report 2014 and Annual Administrative Statistics Report 2014 In addition, the national Client Satisfaction Survey report 2014 was also completed and submitted to the Minister for approval to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval By March 2014 was also completed and submitted to the Minister for approval to the Minister for | 4 Annual Labour Market Trend reports published by September 2015 | Not Achieved By March 2016, two annual labour market reports were produced. These include: Annual Industrial Action report 2015 and the Annual Administrative Statistics report 2015, these reports will be published by September 2016. By June 2015, two annual labour market reports were produced. These include: Annual Labour Market Bulletin 2014/15 and the Job Opportunity and Unemployment in the South African Labour Market 2014/15 reports. These were published by September 2015. By September 2015, 4 reports were published. These include: Annual Industrial Action report 2014, Annual Administrative Statistics report 2014, Annual Labour Market Bulletin 2014/15 and the Job Opportunity and Unemployment in the South African Labour Market 2014/15. | The 2 annual reports could not be published in the financial year 2015/2016 as per the TID in the APP 2015/16. | An oversight has been recorded with the production and publication of the report. The method of calculation indicates the number of reports produced by 31 March 2016. In this regard, only two annual reports are counted but not yet published by September 2016 because it falls in the next financial year. This oversight shall be corrected in the 2017/18 APP which will allow the unit to reflect on the production of 4 annual reports within a given financial year. |
| | | by 31 March 2015 | | | | |

| | COMMENTS ON THE DEVIATIONS | None |
|---|---|--|
| | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2015/2016 | None |
| | ACTUAL ACHIEVEMENT 2015/2016 | Achieved The following were developed: 1. National Minimum wage: Data collection instruments developed, discussed and approved. Final research report was signed-off by the committee 2. Analysis of bursary recipient s' performance: Data collection instruments developed, discussed and approved. Data collected, analysed and draft report developed 3. Active Labour Market Policy: Data collection instruments developed, discussed and approved 4. Resource Adequacy Data collection instruments developed, discussed and approved. Interview commenced with internal stakeholders |
| ISTRIAL RELATIONS | PLANNED TARGET 2015/2016 | Four literature review reports and data collection instruments for RME Agenda 4 completed by March 2016 |
| | ACTUAL ACHIEVEMENT 2014/2015 | Four final research reports were developed and submitted to the DDG for sign off Analysing effectiveness of bargaining council exemptions Evaluating progress made towards reducing working hours to 40 hours Assessing knowledge levels about the work of the Department and its communication campaigns Work-seekers attitude towards job offers in the South African labour market. |
| PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS | PROGRAMME PERFORMANCE INDICATOR | |
| PROGRAMIME 4: LABO | KEY OUTPUTS | |

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

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

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

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

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

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

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

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

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

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

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

2.6 TRANSFER PAYMENTS

2.6.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

| Name of Public Entity | Services rendered by the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity | Achievements of the public entity |
|---|---|--|---|---|
| Compensation Fund (CF) | The Compensation Fund's (CF) main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases | R 18 073 | R 14 780 | Detailed information regarding performance information, achievements and financial status is available in the published Annual Report of the Compensation Fund. |
| Commission for Conciliation, Mediation and Arbitration (CCMA | To resolve workplace disputes through conciliation, mediation and arbitration | R 731 799 | R 731 799 | 146, 459 Cases referred. 130, 446 Cases settled. 24, 661 Pre-conciliations heard. 16, 299 Pre-conciliations settled. 60, 383 Con-arbs heard. 53, 629 Con-arbs finalised |
| Productivity SA | Transfer of productivity knowledge and skills in order to contribute to sustainable Employment Creation | R45 531 | R45 531 | 6 917 beneficiaries capacitated on productivity related concepts: 4 837 SMMEs and cooperatives 642 ETD service providers 934 Workers 205 Government/SOE Managers 299 Skills Development Facilitators |
| National Economic Development and Labour Council (NEDLAC) | Promote economic growth, participation in economic decision making and social equity through social dialogue Provide for the establishment of a national economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1956; and to provide for matters connected therewith Considers all proposed labour legislation relating to labour market policy before it is introduced in Parliament Considers all significant changes to social and economic policy before it is implemented or introduced in Parliament Encourages and promotes the formulation of co-ordinated policy on social and economic matters | R28 791 | R28 791 | The following reports have been developed: Research on the Expanded Public Works Programme Tax Incentive Act Davis Tax Committee Report Strategic Session Report Chambers research reports Quarterly Financial Reports The following legislative engagements were concluded: National Veld Fire Amendment Bill National Forestry Amendment Bill Road Accident Amendment Bill Financial Sector Regulations Bill White Paper on National Aviation Policy Green Paper on National Rail Policy Private Member's Bill Mine Health and Safety Amendment Bill Occupational Health and Safety Amendment Bill The Road Accident Benefit Scheme Bill Market Conduct Policy Code of Good Practice on Equal Pay for Work of Equal Value Border Management Agency Bill, 2015 A Code of Good Practice on Collective Bargaining developed NEDLAC International minimum wage summit convened Server upgraded to Mimecast Submission of briefing report on Commission for Employment Equity to the Chamber |
| Unemployment Insurance Fund (UIF) | - | Nil | Nil | No funds budgeted or transferred. |

TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

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

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

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

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

2.7 CONDITIONAL GRANTS

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

2.8 DONOR FUNDS

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

2.9 CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

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

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

2.10 PERFORMANCE PER PROGRAMME INCLUDING INDICATORS PARTIALLY ACHIEVED

2.10.1 LEGEND

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

2.10.2 PERFORMANCE PER PROGRAMME

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



GOVERNANCE

| 3.1 | Introduction | |
|------|--|----|
| 3.2 | Risk management | 67 |
| 3.3 | Fraud and corruption | 68 |
| 3.4 | Minimising conflict of interest | 68 |
| 3.5 | Code of conduct | 68 |
| 3.6 | Health safety and environmental issues | 68 |
| 3.7 | Portfolio committees | 69 |
| 3.8 | SCOPA resolutions | 70 |
| 3.9 | Prior modifications to audit reports | 70 |
| 3.10 | Monitoring and Compliance | 76 |
| 3.11 | Internal audit and audit committees | 76 |
| 3.12 | Audit Committee Report | 77 |

PART C: GOVERNANCE

3.1 INTRODUCTION

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

3.1.1 CORPORATE GOVERNANCE ARRANGEMENTS

Governance Structures and Responsibilities

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

3.2 RISK MANAGEMENT

3.2.1 RISK GOVERNANCE

RISK MANAGEMENT POLICIES AND STRATEGIES

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

RISK MANAGEMENT COMMITTEE

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

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

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

3.2.2 RISK MANAGEMENT PROCESS

RISK ASSESSMENT AND MONITORING PROCESS

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

3.3 FRAUD AND CORRUPTION

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

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

3.4 MINIMISING CONFLICT OF INTEREST

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

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

3.5 CODE OF CONDUCT

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

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

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

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

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

3.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department developed an Environmental, Health and Safety Plan.

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

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

- Ventilation in buildings
- Safety of officials against hazards

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

3.7 PORTFOLIO COMMITTEES

The Department attended various briefings as follows:

| The Department attended various briefings as follows: | | | | |
|---|--|--|--|--|
| DATE | AGENDA | | | |
| | COMMITTEE: PORTFOLIO COMMITTEE ON LABOUR | | | |
| 15 April 2015 | Consideration of outstanding draft minutes and draft committee programme Response by NEDLAC on questions asked in a previous engagement with the Committee Briefing by the Department of Labour on the Strategic and Annual Performance Plans of the Compensation Fund | | | |
| 29 April 2015 | Consideration of outstanding draft minutes Briefing by Department of Labour on the IES budget plans | | | |
| 30 April 2015 | Deliberations on the Draft Report on Budget Vote 28: Labour | | | |
| 6 May 2015 | Adoption of the Draft Report on Budget Vote 28: Labour | | | |
| 12 May 2015 | Consideration of outstanding draft minutes Briefing by Department of Labour on the lease challenges regarding the CCMA offices in Cape Town | | | |
| 13 May 2015 | Inaugural briefing by the Essential Services Committee | | | |
| 20 May 2015 | Consideration of outstanding draft minutes Briefing on the Private Member's Bill amendments proposed by Mr Ollis on the LRA The Department's response to the proposed amendments | | | |
| 27 May 2015 | Consideration of outstanding draft minutes and Reports Briefing on the 4th Quarterly Report of the Department of Labour | | | |
| 17 June 2015 | Consideration of outstanding draft minutes and reports Briefing on the NEDLAC Forensic Report Final Report on the LRA private Member's Bill | | | |
| 19 June 2015 | Unannounced visit to Mitchels Plain and Nyanga Labour Centres | | | |
| 23 – 24 June 2015 | Two-days' workshop on the National Minimum Wage | | | |
| 29 July 2015 | Briefing on the NEDLAC Forensic report resumed | | | |
| 12 August 2015 | Briefing by the Department on the UIF activation programmes | | | |
| 19 August 2015 | Briefing by the Department on the state of affairs at labour centres nationwide | | | |
| 2 September 2015 | Briefing by the Research Unit on the National Minimum Wage | | | |
| 9 September 2015 | Briefing by the Department on the CCMA lease agreement and the MOA on standards | | | |
| 15 – 18 September 2015 | Oversight visit to farms in Mpumalanga | | | |
| 22 September | Workshop by AGSA and Appropriations' Committee Researchers on the expenditure review and quarterly analysis of the Department | | | |
| 23 September 2015 | Briefing by the Department on QPR1 (2015/16); The achievements and challenges as per the Annual Report Progress regarding BRRR recommendations | | | |
| 14 October 2015 | Consideration of the BRRR | | | |
| 21 October 2015 | Further comments by the Research Unit on National Minimum Wage Finalisation of the BRRR Way-forward on the UIA Bill Consideration of draft minutes and Oversight Report | | | |
| 28 October 2015 | Joint meeting with PC on Mineral Resources on issues affecting ex-mineworkers | | | |
| 30 October 2015 | Briefing by the Department on the UIA Bill | | | |
| 4 November 2015 | Progress report with regards to oversight visit to farms in Mpumalanga | | | |

| DATE | AGENDA |
|------------------|--|
| 3 February 2016 | Public Hearings on the Unemployment Insurance Amendment Bill |
| 11 February 2016 | State-of-the-Nation Address |
| 17 February 2016 | JOINT SITTING: Resumption of debate on President's State-of-the-nation Address |
| 24 February 2016 | The Department's comments on the Unemployment Insurance Amendment Bill Deliberations on submissions received from Public Hearings on the Unemployment Insurance Amendment Bill (Committee Researcher and Content Advisor) Consideration of outstanding Draft Minutes |
| 2 March 2016 | Deliberations on the Unemployment Insurance Amendment Bill Consideration of the Draft Minutes of 24 February 2016 and the Committee Programme |
| 9 March 2016 | Consideration of the Draft Minutes of 2 March 2016 Finalisation of the Unemployment Insurance Amendment Bill Pre-briefing by the FFC on the 2nd and 3rd Quarterly Report of the Department |
| 16 March 2016 | Briefing by the Department on the following: 2nd and 3rd Quarterly Report of the Department of Labour Consideration of Draft Minutes of 9 March and Draft Committee Programme |

3.8 SCOPA RESOLUTIONS

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

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

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

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

Material under spending of the budget/vote

As disclosed in the appropriation statement, the Department has underspent the budget to the amount of R126 356 000 (5%). The under-spending on current payments is mainly attributable to the Department of Public Works (DPW) invoicing the Department of Labour for an amount which was R88 962 000 less than what was budgeted for.

Additionally, claims from the Compensation Fund were R16 269 000 less than anticipated, the Government Communication Information Systems (GCIS) did not provide invoices for Employment Equity Awards Awareness campaigns in time to be paid at year end and research for Research Monitoring and Evaluation agenda four amounting to R19 958 000 which were aimed to start in the last quarter and failed to do so.

Additional matter

Attention is drawn to the matters below. The Auditor-General's opinion is not modified in respect of these matters.

Unaudited supplementary information

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, the Auditor-General has a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control.

The objective of the Auditor-General's tests were to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, the Auditor-General does not express an opinion or conclusion on these matters.

Predetermined objectives

The Auditor-General performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2015.

The Auditor-General evaluated the reported performance information against the overall criteria of usefulness and reliability.

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

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

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

2012/13

- The Department, in conjunction with DPW, implemented a register for leased buildings in order to determine the amount to be budgeted for. However, the Department has no control over invoices received subsequent to the financial year-end.
- Projects undertaken by GCIS on behalf of the Department will continue until finalised and could only be finalised in the subsequent financial year(s).
- The Department will, however ensure that, for goods and services procured, the vendors are informed of outstanding invoices prior to the financial year-end.

2012/13

The following was implemented to resolve the findings raised by the Auditor-General:

A Standard Operations Manual (SOP) was compiled, which is applicable to all offices. This manual outlines how performance information must be:

- 1. Prepared
- 2. Collected
- 3. Verified
- 4. Reported

A performance verification certificate (to agree with the contents / information) will be signed at each level - labour centres and provincial offices

Provincial offices to ensure information is accessible and can support performance reporting

Branches to ensure compliance with the National Treasury / Department of Planning Monitoring and Evaluation's prescripts to ensure institutionalisation through the approved Standard Operating Procedures as well as policies and guidelines

Performance targets revised in order to meet the requirements of the FMPPI.

PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICE Usefulness of reported performance information

Reasons for variances not disclosed

No reasons for variances between planned and actual achievements reported in the annual performance report were given for 86% of the targets as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and a lack of adequate review of the presentation of the annual performance report by Planning, Monitoring and Evaluation and the Audit committee

Performance targets not specific, measurable, time bound and indicators not well defined and verifiable

Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPI. A total of 36% of significantly important targets were not specific.

- Performance targets should be measurable, as required by the FMPPI. The Auditor-General could not measure the required performance for 57% of significantly important targets
- The period or deadline for delivery of targets should be specified, as required by the FMPPI. A total of 21 % of the targets were not time bound
- Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 21% of significantly important indicators were not well defined
- The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 50% of the significantly important indicators were not verifiable.

This was as a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.

Reliability of reported performance information

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. The Auditor-General was unable to obtain the information and explanations which were considered necessary to satisfy themselves as to the reliability of the reported performance information. This was due to absence of information systems and the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information, presented with respect to the Inspection and Enforcement Services.

2012/13

The Department's Internal Audit Unit developed and implemented a risk based Internal Audit plan to determine the Department's compliance with the National Treasury Framework on Performance Information. Furthermore, corrective actions were recommended throughout the year.

Performance Information Management System developed and implemented

Quarterly reporting frameworks developed, wherein the requirements to report actual achievement against the planned target and further provide collaborating evidence of performance

A certificate (to agree with the contents/ information) will be signed at each level; thus, labour centre, provincial office, COO and branch

Monthly and quarterly spot checks of performance information will be done at Head Office, provinces and labour centres respectively

The Department reports on financial expenditure against set targets starting from Q1 of 2015/16

QPR Reporting frameworks are aligned to the various approved and tabled Annual Performance Plans.

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

Usefulness of reported performance information

Reasons for variances not supported

Reasons for variances between planned and actual achievements reported in the annual performance report were not supported by adequate and reliable corroborating evidence for 33% of the targets, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of documented and approved internal policies and procedures, implemented to address reporting requirements in addition to a lack of adequate review of the presentation of the annual performance report by Planning, Monitoring and Evaluation.

Performance targets not specific, measurable and indicators not well defined and verifiable

- Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPI. A total of 22% of significantly important targets were not specific
- Performance targets should be measurable, as required by the FMPPI. The Auditor-General could not measure the required performance for 33% of significantly important targets
- Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 22% of significantly important indicators were not well defined
- Performance indicators should be verifiable, as required by the FMPPI. A total of 44% of the significantly important indicators were not verifiable.

This was as a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.

Reliability of reported performance information

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. The Auditor-General was unable to obtain the information and explanations which were considered necessary to satisfy themselves as to the reliability of the reported performance information. This was due to inadequate information systems, operational half the year under review, as well as the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information.

2012/13

Refer to progress reported for predetermined objectives for Programme 2.

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

Usefulness of reported performance information Performance targets not specific, measurable and indicators not well defined and verifiable

- Performance targets should be specific in clearly identifying the nature and required level of performance, as required by the FMPPI. A total of 47% of significantly important targets was not specific
- Performance targets should be measurable, as required by the FMPPI. We could not measure the required performance for 47% of significantly important target
- The period or deadline for delivery of targets should be specified, as required by the FMPPI A total of 27% of significantly important targets were not time bound
- Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use as required by the FMPPI. A total of 43% of significantly important indicators were not well defined
- Performance indicators should be verifiable, as required by the FMPPI. A total of 29% of the significantly important indicators were not verifiable. This was because management was did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions.

This was as a result of management not adhering to the requirements of the FMPPI due to a lack of proper systems and processes and inadequate technical indicator descriptions

Reliability of reported performance information

The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 29% of the significantly important targets to assess the reliability of the reported performance information. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.

2012/13

Refer to progress reported for predetermined objectives for Programme 2.

Additional matters

The Auditor-General draws attention to the following matters:

Compliance with legislation

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:

Financial statements

The final financial statements submitted for auditing were not prepared in all material respects in terms of section 40(1) of the PFMA. Misstatements in aggregate of (non-current assets, receivables, clearing accounts, lease commitments), identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.

2012/13

The statements were corrected and accepted by the Auditor-General.

| Expenditure management The Accounting Officer did not take effective steps to prevent irregular expenditure as required by section 38(1) (c) (ii), of the PFMA and TR 9.1.1. | 2011/12 | Disciplinary action is taken against officials who do not comply with SCM prescripts Training of newly appointed managers to ensure accountability and compliance to SCM prescripts |
|--|---------|--|
| Procurement and contract management A consultants reduction plan was not in place as required by Paragraph 4.5 of National Treasury instruction 01 of 2013/14 | 2014/15 | The template has been obtained from NT and the Department is in the process of developing a Consultancy Reduction plan |
| Assets and liability management Management did not clear all suspense accounts as required by Treasury Regulation 17.1.1(b). | 2013/14 | The following action plan is in place to clear suspense accounts: Perform monthly reconciliations of suspense accounts Identify long outstanding transactions Prioritise transactions older than one year Rectify / clear all outstanding transactions older than two months The Department developed a procedure manual for the managing of suspense accounts |
| Consequence management Effective and appropriate disciplinary steps were not taken against officials who possibly incurred and permitted irregular expenditure, as required by section 38(1)(h)(iii), of the Public Finance Management Act, and the Treasury Regulation 16A9.1 (b)This is due to the lack of disciplinary action being taken against officials that are alleged to have been involved in financial misconduct | 2012/13 | Disciplinary action is taken against officials who do not comply with SCM prescripts Training of newly appointed managers to ensure accountability and compliance to SCM prescripts. |
| Leadership The accounting officer did not effectively exercise oversight responsibility regarding information technology (IT) security management controls, (including network controls), and inadequate development of business continuity plan, and a disaster recovery plan. | | The Business Impact Analysis (BIA) in all the Branches commenced in February 2016 Critical business operations were identified A draft BIA report currently being reviewed for inputs by the Department's Risk Management Team Furthermore, a Threat Assessment was also conducted, and its focus areas were IT, OHS and Auxiliary Services The Threat Assessment Report is also currently being reviewed by the Risk Management Team. |

3.10 MONITORING AND COMPLIANCE

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

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

3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

3.11.1 Key activities and objectives of Internal Audit

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

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

The Internal Audit activity reviews the following:

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

Key activities

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

Summary of work done

The following audit types were performed:

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

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

Internal Controls

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

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

Risk Management

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

Governance Processes

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

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

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

INTRODUCTION

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

AUDIT COMMITTEE RESPONSIBILITY

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

COMMITTEE MEETINGS

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

The table below discloses relevant information on the audit committee members

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

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

EFFECTIVENESS OF INTERNAL CONTROL

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

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

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

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

SUPPORTED EMPLOYMENT ENTERPRISE TRADING AS SUPPORTED EMPLOYMENT ENTERPRISE (SEE)

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

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

INTERNAL AUDIT

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

EXTERNAL AUDIT

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

RISK MANAGEMENT

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

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

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

EVALUATION OF FINANCIAL STATEMENTS

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

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

APPRECIATION

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

Mr T Mageza

Chairperson of the Audit Committee

Date: 28.07.2016





HUMAN RESOURCE MANAGEMENT

| 41 | Introd | luction |
|----|--------|---------|

4.2 Human resources oversight statistics

83

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4. HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

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

4.2 HUMAN RESOURCES OVERSIGHT STATISTICS

4.2.1 PERSONNEL RELATED EXPENDITURE

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

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

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

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

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

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

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

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

4.2.2 EMPLOYMENT AND VACANCIES

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

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

This information is presented in terms of three key variables:

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

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

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

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

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

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

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

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

Note

The CORE classification, as prescribed by the DPSA, was used for completion of this table. Critical occupations are defined as occupations or sub-categories within an occupation –

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

4.2.3 FILLING OF SMS POSTS

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

Table 4.2.3.1 SMS post information as on 31 March 2016

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

Table 4.2.3.2 SMS post information as on 30 September 2015

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

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

| SMS Level | Advertising | Filling of posts | | | | |
|-----------------|--|---|--|--|--|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant. | Number of vacancies per level filled in 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months | | | |
| Salary Level 16 | 0 | 0 | 0 | | | |
| Salary Level 15 | 1 | 1 | 0 | | | |
| Salary Level 14 | 2 | 1 | 0 | | | |
| Salary Level 13 | 4 | 0 | 0 | | | |
| Total | 7 | 2 | 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 01 April 2015 to 31 March 2016

Reasons for vacancies not advertised within twelve months

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

Reasons for vacancies not filled within twelve months

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

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

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

Reasons for vacancies not advertised within twelve months

None

Reasons for vacancies not filled within twelve months

None.

4.2.4 JOB EVALUATION

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

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

| | Number of | Niverbox | % of posts | Posts U | pgraded | Posts dov | wngraded |
|--|---------------------------------|--------------------------------|---------------------------------|---------|----------------------|-----------|----------------------|
| Salary band | posts on approved establishment | Number of Jobs Evaluated | evaluated by salary bands | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels1-2) | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 1 386 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 6 131 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 1 119 | 132 | 11.8% | 42 | 31.8% | 131 | 11.7% |
| Senior Management Service Band A | 101 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 29 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 8 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 8 778 | 132 | 11.8% | 42 | 31.8% | 131 | 11.7% |

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

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

| Gender | African | Asian | Coloured | White | Total |
|-----------------------------|---------|-------|----------|-------|-------|
| Female | 1 | 1 | 1 | 2 | 5 |
| Male | 6 | 0 | 1 | 0 | 7 |
| Total | 7 | 1 | 2 | 2 | 12 |
| Employees with a disability | 0 | | | | |

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

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

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

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

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

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

| Gender | African | African Asian Coloured | | White | Total | |
|---------------------------------|---------|------------------------|---|-------|-------|--|
| Female | 72 | 1 | 2 | 9 | 84 | |
| Male | 41 | 4 | 4 | 21 | 70 | |
| Total | 113 | 5 | 6 | 30 | 154 | |
| | | | | | | |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | |
| Total number of employees whose | 154 | | | | | |

4.2.5 EMPLOYMENT CHANGES

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

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

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

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

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

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

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

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

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

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

| Salary Band | Employees 1 April 2015 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | omótions as to another notch of employees within a salary level | |
|--|---------------------------|--|--|---|---|
| Lower skilled (Levels 1-2) | 2 | 0 | 0% | 0 | 0 |
| Skilled (Levels 3-5) | 1 323 | 4 | 0.3% | 0 | 0 |
| Highly skilled production (Levels 6-8) | 5 432 | 137 | 2.5% | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 946 | 38 | 4.0% | 0 | 0 |
| Senior Management (Level 13-16) | 112 | 5 | 4.5% | 0 | 0 |
| Total | 7 815 | 184 | 2.4% | 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 2016

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

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

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

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

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

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

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

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

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

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

| Disciplinary action | | Ma | le | | Female | | | | Total |
|---------------------|---------|-------------------------------|----|---|---------|----------|--------|-------|-------|
| | African | African Coloured Indian White | | | African | Coloured | Indian | White | |
| | 139 | 11 | 1 | 9 | 78 | 9 | 5 | 8 | 260 |

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

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

4.2.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

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

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

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

Reasons

Late submission and sick leave.

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

Reasons

Non compliance letters issued to officials.

4.2.8 PERFORMANCE REWARDS

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

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

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

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

| Colony bond | В | eneficiary Profil | e | Co | st | Total cost as a % of the total | |
|---|-------------------------|-------------------|-------|---------------|------------------------------|-----------------------------------|--|
| Salary band | Number of beneficiaries | | | Total Cost | Average cost per employee | personnel | |
| Lower Skilled (Levels 1-2) | 0 | 2 | 0% | 0 | 0 | 0 | |
| Skilled (level 3-5) | 222 | 1 012 | 21.9% | 1 941 000.00 | 8 743.24 | 0.2% | |
| Highly skilled production (level 6-8) | 1 532 | 5 597 | 27.4% | 20 903 000.00 | 13 644.26 | 2.03% | |
| Highly skilled supervision (level 9-12) | 232 | 958 | 24.2% | 6 651 000.00 | 28 668.10 | 0.65% | |
| Total | 1 986 | 7 569 | 26.2% | 29 495 000.00 | 14 851.46 | 2.88% | |

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

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

Note

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

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

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

4.2.9 FOREIGN WORKERS

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

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

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

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

| Major occupation | 01 April 2015 | | 31 Mar | ch 2016 | Change | | |
|--|---------------|------------|--------|------------|--------|----------|--|
| | Number | % of total | Number | % of total | Number | % Change | |
| Professionals and managers | 2 | 66.7% | 2 | 66.7% | 0 | 0% | |
| Technicians and associated professionals | 1 | 33.3% | 1 | 33.3% | 0 | 0% | |
| 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 2015 to 31 December 2015

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

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

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

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

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

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

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

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

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

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

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

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 | 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 Departmental HIV and AIDS, STIs and TB Management policy is being reviewed to effectively respond to the needs of all employees in the Department in line with the NSP 2012-2016 and the Technical Assistance Guidelines | |
| | 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.

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| 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. | Х | | Mr Simon Nkhabelane, Acting Chief Director: Human Resources Management |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | The Department has an Employee Health and Wellness Sub-Directorates at HQ; UIF and CF which consists of the following: 3 x Deputy Director (1- HQ, 1- CF and 1- UIF) 4 x Assistant Directors (2 - HQ, 1- CF and 1 - UIF) 1 x Senior Personnel Practitioner The sub-directorates are supported by Wellness Champions who fulfils the role of peer educators in all provinces. The budget for EHW for 2015/2016 was R 2,369,000.00 |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | X | | Rendering psycho-social sessions on individual and or groups to employees experiencing performance impairing programmes A programme on trauma debriefing was introduced, focusing on employees at risk Wellness days were conducted to provide employees with an opportunity to test and know their health status, including HIV Creating awareness by writing articles on health and wellness issues which are published on iDoL and EHWP (Internal Newsletter) and circulated to employees through Exchange Post Master Conducting Health Awareness and Educational Sessions focusing on a wide array of health and wellness issues such as Financial Wellness, Stress Management, Breast Cancer Awareness, TB Awareness, Diet and Nutrition, Hypertension, Drug and Substance Abuse, Eye Care, HIV and AIDS, Leading a Healthy Lifestyles, Men's Health, and STIs awareness Promotion of physical activities through sports and recreation Commemorating health and wellness days in line with the national health calendar of events Rolling-out of HIV counselling and testing campaigns. |

| 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 | | representatives from all the process of the process | : Ms G Mathibe : Ms S Nkungwana ctorates: : Ms MJ Coetzee : Mr PA Naake : Ms NA Qomoyi : Mr RR Negota : Ms LC Dlamini : Mr RB Mkansi : Ms T Roos |
| 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. | Х | | The following policies were reviewed and approved: Medical Surveillance Policy Management of Substance Abuse Policy Sports and Recreation Policy Disability Management Policy Sexual Harassment Policy | |

| | 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. | Х | | 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. | Х | | The Employee Health and Wellness Section implemented the HCT programme through awareness raising on voluntary counselling and testing and also conducted on-site HCT through the use of GEMS and other service providers. |
| 8 | Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Х | | 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 01 April 2015 to 31 March 2016

| 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 01 April 2015 to 31 March 2016

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

| Total number of Disciplinary hearings finalised | 86 |
|---|----|
| | |

Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2015 to 31 March 2016

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

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

| Grievances | Number | % of Total |
|-----------------------------------|--------|------------|
| Number of grievances resolved | 167 | 59% |
| Number of grievances not resolved | 115 | 41% |
| Total number of grievances lodged | 282 | 100% |

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

| Disputes | Number | % of Total |
|---------------------------------|--------|------------|
| Number of disputes upheld | 5 | 28% |
| Number of disputes dismissed | 13 | 72% |
| Total number of disputes lodged | 198 | 100% |

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

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

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

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

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

4.2.13 SKILLS DEVELOPMENT

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

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

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

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

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

4.2.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

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

| The first of the state of the s | | | | | | | |
|--|--------|------------|--|--|--|--|--|
| Nature of injury on duty | Number | % of total | | | | | |
| Required basic medical attention only | 22 | 88% | | | | | |
| Temporary total disablement | 2 | 8% | | | | | |
| Permanent disablement | 0 | 0% | | | | | |
| Fatal | 1 | 4% | | | | | |
| Total | 25 | 100% | | | | | |

4.2.15 UTILISATION OF CONSULTANTS

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

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

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

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

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

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

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

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

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

Nil Nil Nil

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

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

4.2.16. SEVERANCE PACKAGES

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

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





PARTE

FINANCIAL INFORMATION

| 5.1 | Repor | t of the Auditor-General | 10 |
|-----|-------|--|----|
| 5.2 | Annua | l Financial Statements | 11 |
| | 5.2.1 | Appropriation Statement | 11 |
| | 5.2.2 | Notes to the Appropriation Statement | 15 |
| | 5.2.3 | Statement of Financial Performance | 16 |
| | 5.2.4 | Statement of Financial Position | 16 |
| | 5.2.5 | Statement of Changes in Net Assets | 16 |
| | 5.2.6 | Cash Flow Statement | 16 |
| | 5.2.7 | Accounting Policies | 16 |
| | 5.2.8 | Notes to the Annual Financial Statements (including Accounting policies) | 17 |
| | 529 | Δnneyures | 19 |

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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

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

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITY

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

OPINION

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

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING FIGURES

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

ADDITIONAL MATTER

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

UNAUDITED SUPPLEMENTARY INFORMATION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PREDETERMINED OBJECTIVES

- 12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
 - Programme 2: Inspection and enforcement services on pages 32 to 42
 - Programme 3: Public employment services on pages 43 to 54
 - Programme 4: Labour policy and industrial relations on pages 55 to 60.
- 13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
- 14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 15. The material findings in respect of the selected programmes are as follows:

PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

- 16. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.
- 17. The FMPPI requires that performance targets should be specific in clearly identifying the nature and required level of performance and measurable. A total of 44% of significantly important targets were not specific.
- 18. Performance targets should be measurable, as required by the FMPPI. We could not measure the required performance for 44% of significantly important targets.
- 19. Performance indicators should be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 44% of significantly important indicators were not well defined.
- 20. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 38% of the significantly important indicators were not verifiable.

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

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

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

PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

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

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

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

PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

USEFULNESS OF REPORTED PERFORMANCE INFORMATION

- 24. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.
- 25. Treasury regulation 5.2.4 requires the annual performance plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 23% were not consistent with those in the approved annual performance plan.
- 26. The FMPPI requires that performance targets should be specific in clearly identifying the nature and required level of performance and measurable. A total of 23% targets were not specific
- 27. Performance targets should be measurable, as required by the FMPPI. We could not measure the required performance for 31% of significantly important targets
- 28. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 29% of the indicators were not well defined
- 29. The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 29% of the indicators were not verifiable.

RELIABILITY OF REPORTED PERFORMANCE INFORMATION

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

ADDITIONAL MATTER

31. I draw attention to the following matters.

ACHIEVEMENT OF PLANNED TARGETS

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

ADJUSTMENT OF MATERIAL MISSTATEMENTS

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

COMPLIANCE WITH LEGISLATION

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

FINANCIAL STATEMENTS

- 35. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA.
- 36. Material misstatements of accruals, commitments, operating lease commitments, finance leases and expenditure identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

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

ASSET AND LIABILITY MANAGEMENT

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

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

INTERNAL CONTROL

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

LEADERSHIP

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

FINANCIAL AND PERFORMANCE MANAGEMENT

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

SOUTH AFRICA

Auditor-General

Pretoria 29 July 2016

Auditing to build public confidence

5.2 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.2.1 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

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

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

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|
| | | 2015/1 | 6 | | | | | 2014/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Sub programme | | | | | | | | | | |
| 1. Ministry | 28 092 | 4 616 | - | 32 708 | 32 649 | 59 | 99.8% | 26 746 | 24 340 | |
| 2. Management | 404 308 | (1 919) | - | 402 389 | 375 380 | 27 009 | 93.3% | 388 360 | 373 838 | |
| 3. Corporate Services | 67 395 | (89) | - | 67 306 | 63 366 | 3 940 | 94.1% | 63 604 | 57 650 | |
| 4. Office of the Chief Financial Officer | 139 925 | (3 085) | (1 064) | 135 776 | 113 160 | 22 616 | 83.3% | 105 174 | 97 453 | |
| 5. Office Accommodation | 175 391 | 477 | - | 175 868 | 161 082 | 14 786 | 91.6% | 181 035 | 122 676 | |
| Total for sub programmes | 815 111 | - | (1 064) | 814 047 | 745 637 | 68 410 | 91.6% | 764 919 | 675 957 | |

| | | 2015/1 | 6 | | | | | 2014/15 | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 762 853 | (2 141) | - | 760 712 | 707 328 | 53 384 | 93.0% | 723 553 | 636 026 |
| Compensation of employees | 335 165 | (3 937) | - | 331 228 | 325 922 | 5 306 | 98.4% | 314 356 | 309 546 |
| Salaries and wages | 284 480 | (3 474) | - | 281 006 | 278 062 | 2 944 | 99.0% | 367 730 | 266 921 |
| Social contributions | 50 685 | (463) | - | 50 222 | 47 860 | 2 362 | 95.3% | 46 626 | 42 625 |
| Goods and services | 427 688 | 1 796 | - | 429 484 | 381 406 | 48 078 | 88.8% | 409 197 | 326 480 |
| Administrative fees | 2 699 | 235 | - | 2 934 | 2 812 | 122 | 95.8% | 3 399 | 2 838 |
| Advertising | 11 085 | (46) | - | 11 039 | 11 001 | 38 | 99.7% | 5 368 | 4 233 |
| Minor assets | 1 428 | 232 | - | 1 660 | 1 586 | 74 | 95.5% | 3 745 | 2 860 |
| Audit costs: External | 19 422 | (217) | - | 19 205 | 16 511 | 2 694 | 86.0% | 15 941 | 15 320 |
| Bursaries: Employees | 1 839 | 137 | - | 1 976 | 1 680 | 296 | 85.0% | 2 120 | 1 821 |
| Catering: Departmental activities | 1877 | 28 | - | 1 905 | 1 883 | 22 | 98.8% | 2 061 | 1 637 |
| Communication | 19 759 | (2 630) | - | 17 129 | 16 980 | 149 | 99.1% | 17 081 | 14 454 |
| Computer services | 94 042 | (4 410) | - | 89 632 | 65 885 | 23 747 | 73.5% | 69 496 | 69 274 |
| Consultants: Business and advisory services | 11 078 | (6 154) | - | 4 924 | 3 845 | 1 079 | 78.1% | 7 067 | 2 807 |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Legal services | 2 244 | 780 | - | 3 024 | 3 024 | - | 100.0% | 2 270 | 2 270 |
| Contractors | 1 650 | 2 816 | - | 4 466 | 4 347 | 119 | 97.3% | 5 490 | 5 104 |
| Agency and support / outsourced services | 3 486 | (399) | - | 3 087 | 2 897 | 190 | 93.8% | 3 290 | 2 758 |
| Entertainment | 177 | (64) | - | 113 | 111 | 2 | 98.2% | 299 | 94 |
| Fleet services | 6 813 | 3 335 | - | 10 148 | 9 084 | 1 064 | 89.5% | 7 680 | 7 669 |
| Inventory: Fuel, oil and gas | 3 | (3) | - | - | - | - | - | 15 | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 70 | (70) | - | - | - | - | - | 146 | - |
| Inventory: Medical supplies | 61 | (30) | - | 31 | - | 31 | - | 10 | - |
| Inventory: Other supplies | 1 592 | (1 582) | - | 10 | - | 10 | - | 58 | - |
| Consumable supplies | 43 | 1 894 | - | 1 937 | 1 915 | 22 | 98.9% | 2 540 | 2 504 |
| Consumable: Stationery, printing and office supplies | 8 375 | 2 466 | - | 10 841 | 10 841 | - | 100.0% | 12 010 | 9 188 |
| Operating leases | 140 640 | 3 456 | - | 144 096 | 137 524 | 6 572 | 95.4% | 138 624 | 103 086 |
| Property payments | 53 441 | 1 239 | - | 54 680 | 44 556 | 10 124 | 81.5% | 61 258 | 36 922 |

| | | 2015/10 | 6 | | | | | 2014/15 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transport provided: Departmental activity | - | 131 | - | 131 | 131 | - | 100.0% | 48 | 48 |
| Travel and subsistence | 32 328 | 4 736 | - | 37 064 | 37 061 | 3 | 100.0% | 33 944 | 29 361 |
| Training and development | 6 212 | (2 999) | - | 3 213 | 3 012 | 201 | 93.7% | 6 704 | 4 229 |
| Operating payments | 5 200 | (1 230) | - | 3 970 | 2 748 | 1 222 | 69.2% | 4 520 | 4 311 |
| Venues and facilities | 2 124 | (187) | - | 1 937 | 1 641 | 296 | 84.7% | 3 569 | 3 251 |
| Rental and hiring | - | 332 | - | 332 | 331 | 1 | 99.7% | 444 | 441 |
| Transfers and subsidies | 708 | 1 681 | - | 2 389 | 2 318 | 71 | 97.0% | 5 830 | 5 830 |
| Provinces and municipalities | 500 | 93 | - | 593 | 522 | 71 | 88.0% | 450 | 451 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 500 | 93 | - | 593 | 522 | 71 | 88.0% | 450 | 451 |
| Municipal bank accounts | 500 | 93 | - | 593 | 522 | 71 | 88.0% | 450 | 451 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 11 | - | 11 | 11 | - | 100.0% | 4 399 | 4 399 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 11 | - | 11 | 11 | - | 100.0% | 4 399 | 4 399 |
| Foreign governments and international organisations | - | 3 | - | 3 | 3 | - | 100.0% | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | 50 | 50 |
| Households | 208 | 1 574 | - | 1 782 | 1 782 | - | 100.0% | 931 | 930 |
| Social benefits | 208 | 1 046 | - | 1 254 | 1 254 | - | 100.0% | 881 | 913 |
| Other transfers to households | - | 528 | - | 528 | 528 | - | 100.0% | 50 | 17 |
| Payments for capital assets | 51 550 | - | (1 064) | 50 486 | 35 531 | 14 955 | 70.4% | 34 641 | 33 206 |
| Buildings and other fixed structures | 2 000 | - | - | 2 000 | 511 | 1 489 | 25.6% | 1 884 | 1 867 |
| Buildings | 2 000 | - | - | 2 000 | 511 | 1 489 | 25.6% | 1 884 | 1 867 |
| Machinery and equipment | 49 550 | - | (1 064) | 48 486 | 35 020 | 13 466 | 72.2% | 32 757 | 31 339 |
| Transport equipment | 43 261 | (3 270) | (1 064) | 38 927 | 26 010 | 12 917 | 66.8% | 18 231 | 17 681 |
| Other machinery and equipment | 6 289 | 3 270 | - | 9 559 | 9 010 | 549 | 94.3% | 14 526 | 13 658 |
| Payments for financial assets | - | 460 | - | 460 | 460 | - | 100.0% | 895 | 895 |
| Total | 815 111 | - | (1 064) | 814 047 | 745 637 | 68 410 | 91.6% | 764 919 | 675 957 |

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

| 1.2 MANAGEMENT | 1.2 MANAGEMENT | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 015/16 | | | | | | 2014 | /15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 396 700 | (5 401) | - | 391 299 | 365 779 | 25 520 | 93.5% | 373 317 | 359 363 | | |
| Compensation of employees | 222 270 | (683) | - | 221 587 | 219 308 | 2 279 | 99.0% | 213 205 | 212 726 | | |
| Goods and services | 174 430 | (4 718) | - | 169 712 | 146 471 | 23 241 | 86.3% | 160 112 | 146 637 | | |
| Transfers and subsidies | 608 | 787 | - | 1 395 | 1 395 | - | 100.0% | 1 386 | 1 386 | | |
| Provinces and municipalities | 400 | 93 | - | 493 | 493 | - | 100.0% | 407 | 408 | | |
| Departmental agencies and accounts | - | 11 | - | 11 | 11 | - | 100.0% | 123 | 123 | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | 50 | 50 | | |
| Households | 208 | 683 | - | 891 | 891 | - | 100.0% | 806 | 805 | | |
| Payments for capital assets | 7 000 | 2 695 | - | 9 695 | 8 206 | 1 489 | 84.6% | 13 657 | 13 089 | | |
| Buildings and other fixed structures | 2 000 | (477) | - | 1 523 | 34 | 1 489 | 2.2% | 17 | - | | |
| Machinery and equipment | 5 000 | 3 172 | - | 8 172 | 8 172 | - | 100.0% | 13 640 | 13 089 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 404 308 | (1 919) | - | 402 389 | 375 380 | 27 009 | 93.3% | 388 360 | 373 838 | | |

| 1.3 CORPORATE SERVICES | 1.3 CORPORATE SERVICES | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | /15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 66 975 | (377) | - | 66 598 | 62 658 | 3 940 | 94.1% | 58 789 | 53 252 | | |
| Compensation of employees | 41 680 | (377) | - | 41 303 | 38 276 | 3 027 | 92.7% | 36 896 | 36 896 | | |
| Goods and services | 25 295 | - | - | 25 295 | 24 382 | 913 | 96.4% | 21 893 | 16 356 | | |
| Transfers and subsidies | - | 190 | - | 190 | 190 | - | 100.0% | 4 318 | 4 318 | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 4 276 | 4 276 | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | 190 | - | 190 | 190 | - | 100.0% | 42 | 42 | | |
| Payments for capital assets | 420 | 98 | - | 518 | 518 | - | 100.0% | 497 | 80 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | 420 | 98 | - | 518 | 518 | - | 100.0% | 497 | 80 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 67 395 | (89) | - | 67 306 | 63 366 | 3 940 | 94.1% | 63 604 | 57 650 | | |

| 1.4 OFFICE OF THE CHIEF FINANCIAL | 1.4 OFFICE OF THE CHIEF FINANCIAL OFFICER | | | | | | | | | | |
|---|---|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | /15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 95 939 | (976) | - | 94 963 | 85 825 | 9 138 | 90.4% | 85 607 | 78 294 | | |
| Compensation of employees | 54 786 | (514) | - | 54 272 | 54 272 | - | 100.0% | 51 769 | 49 450 | | |
| Goods and services | 41 153 | (462) | - | 40 691 | 31 553 | 9 138 | 77.5% | 33 838 | 28 844 | | |
| Transfers and subsidies | 100 | 701 | - | 801 | 730 | 71 | 91.1% | 94 | 94 | | |
| Provinces and municipalities | 100 | - | - | 100 | 29 | 71 | 29.0% | 43 | 43 | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | 701 | - | 701 | 701 | - | 100.0% | 51 | 51 | | |
| Payments for capital assets | 43 886 | (3 270) | (1 064) | 39 552 | 26 145 | 13 407 | 66.1% | 18 578 | 18 170 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | 43 886 | (3 270) | (1 064) | 39 552 | 26 145 | 13 407 | 66.1% | 18 578 | 18 170 | | |
| Payments for financial assets | - | 460 | - | 460 | 460 | - | 100.0% | 895 | 895 | | |
| Total | 139 925 | (3 085) | (1 064) | 135 776 | 113 160 | 22 616 | 83.3% | 105 174 | 97 453 | | |

| 1.5 OFFICE ACCOMMODATION | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|
| | 7 | 2015/16 | | | | | | 2014 | 1/15 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 175 391 | - | - | 175 391 | 160 605 | 14 786 | 91.6% | 179 168 | 120 809 | |
| Compensation of employees | - | - | - | - | - | - | - | - | - | |
| Goods and services | 175 391 | - | - | 175 391 | 160 605 | 14 786 | 91.6% | 179 168 | 120 809 | |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | - | - | - | - | - | - | - | - | - | |
| Payments for capital assets | - | 477 | - | 477 | 477 | - | 100.0% | 1 867 | 1 867 | |
| Buildings and other fixed structures | - | 477 | - | 477 | 477 | - | 100.0% | 1 867 | 1 867 | |
| Machinery and equipment | - | - | - | - | - | - | - | - | - | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 175 391 | 477 | - | 175 868 | 161 082 | 14 786 | 91.6% | 181 035 | 122 676 | |

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

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

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

| 2.1 MANAGEMENT AND SUPPORT SE | 2.1 MANAGEMENT AND SUPPORT SERVICES: INSPECTION AND ENFORCEMENT SERVICES | | | | | | | | | | |
|---|--|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 7 | 2015/16 | | | | | | 2014 | 1/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 4 487 | 115 | - | 4 602 | 4 602 | - | 100.0% | 4 539 | 4 545 | | |
| Compensation of employees | 2 954 | (39) | - | 2 915 | 2 915 | - | 100.0% | 2 674 | 2 675 | | |
| Goods and services | 1 533 | 154 | - | 1 687 | 1 687 | - | 100.0% | 1 865 | 1 870 | | |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | - | - | - | - | - | - | - | - | | |
| Payments for capital assets | - | 16 | - | 16 | 16 | - | 100.0% | - | - | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | 16 | - | 16 | 16 | - | 100.0% | - | - | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 4 487 | 131 | - | 4 618 | 4 618 | - | 100.0% | 4 539 | 4 545 | | |

| 2.2 OCCUPATIONAL HEALTH AND SAFETY | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|
| | 2 | 015/16 | | | | | | 2014 | 1/15 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 24 710 | (1 944) | - | 22 766 | 22 766 | - | 100.0% | 20 473 | 20 383 | |
| Compensation of employees | 19 317 | (723) | - | 18 594 | 18 594 | - | 100.0% | 15 341 | 15 341 | |
| Goods and services | 5 393 | (1 221) | - | 4 172 | 4 172 | - | 100.0% | 5 132 | 5 042 | |
| Transfers and subsidies | - | 10 | - | 10 | 10 | - | 100.0% | 10 | 10 | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | - | 10 | - | 10 | 10 | - | 100.0% | 10 | 10 | |
| Payments for capital assets | - | 5 498 | 1 064 | 6 562 | 6 562 | - | 100.0% | 1 803 | 1 803 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | |
| Machinery and equipment | - | 5 498 | 1 064 | 6 562 | 6 562 | - | 100.0% | 1 803 | 1 803 | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 24 710 | 3 564 | 1 064 | 29 338 | 29 338 | - | 100.0% | 22 286 | 22 196 | |

| 2.3 REGISTRATION: INSPECTION AND | ENFORC | EMENT SE | RVICES | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 54 803 | (2 410) | - | 52 393 | 52 393 | - | 100.0% | 51 171 | 51 170 |
| Compensation of employees | 47 297 | (288) | - | 47 009 | 47 009 | - | 100.0% | 44 555 | 44 555 |
| Goods and services | 7 506 | (2 122) | - | 5 384 | 5 384 | - | 100.0% | 6 616 | 6 615 |
| Transfers and subsidies | 114 | 80 | - | 194 | 194 | - | 100.0% | 206 | 207 |
| Provinces and municipalities | - | - | - | - | - | - | - | 2 | 3 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 114 | 80 | - | 194 | 194 | - | 100.0% | 204 | 204 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 54 917 | (2 330) | - | 52 587 | 52 587 | - | 100.0% | 51 377 | 51 377 |

| 2.4 COMPLIANCE, MONITORING AND | 2.4 COMPLIANCE, MONITORING AND ENFORCEMENT | | | | | | | | | | |
|---|--|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 372 902 | (26 059) | - | 346 843 | 346 843 | - | 100.0% | 338 203 | 338 194 | | |
| Compensation of employees | 309 702 | (6 789) | - | 302 913 | 302 913 | - | 100.0% | 282 649 | 282 649 | | |
| Goods and services | 63 200 | (19 270) | - | 43 930 | 43 930 | - | 100.0% | 55 554 | 55 545 | | |
| Transfers and subsidies | 332 | 680 | - | 1 012 | 1 012 | - | 100.0% | 1 661 | 1 661 | | |
| Provinces and municipalities | 18 | 5 | - | 23 | 23 | - | 100.0% | 19 | 19 | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | 314 | 675 | - | 989 | 989 | - | 100.0% | 1 642 | 1 642 | | |
| Payments for capital assets | 43 | 25 136 | - | 25 179 | 25 179 | - | 100.0% | 307 | 307 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | 43 | 25 136 | - | 25 179 | 25 179 | - | 100.0% | 307 | 307 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 373 277 | (243) | - | 373 034 | 373 034 | - | 100.0% | 340 171 | 340 162 | | |

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

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

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

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

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

| 3.1 MANAGEMENT AND SUPPORT SE | 3.1 MANAGEMENT AND SUPPORT SERVICES: PUBLIC EMPLOYMENT SERVICES | | | | | | | | | | |
|---|---|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 38 157 | (86) | - | 38 071 | 35 728 | 2 343 | 93.8% | 34 235 | 34 195 | | |
| Compensation of employees | 32 493 | (86) | - | 32 407 | 30 164 | 2 243 | 93.1% | 28 338 | 28 338 | | |
| Goods and services | 5 664 | - | - | 5 664 | 5 564 | 100 | 98.2% | 5 897 | 5 857 | | |
| Transfers and subsidies | - | 86 | - | 86 | 86 | - | 100.0% | 8 | 8 | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | 86 | - | 86 | 86 | - | 100.0% | 8 | 8 | | |
| Payments for capital assets | 300 | (7) | - | 293 | 154 | 139 | 52.6% | 415 | 383 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | 300 | (7) | - | 293 | 154 | 139 | 52.6% | 415 | 383 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 38 457 | (7) | - | 38 450 | 35 968 | 2 482 | 93.5% | 34 658 | 34 586 | | |

| 3.2 EMPLOYER SERVICES | 3.2 EMPLOYER SERVICES | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 121 568 | 560 | - | 122 128 | 119 714 | 2 414 | 98.0% | 115 901 | 115 840 | | |
| Compensation of employees | 107 755 | (368) | - | 107 387 | 104 973 | 2 414 | 97.8% | 99 862 | 99 809 | | |
| Goods and services | 13 813 | 928 | - | 14 741 | 14 741 | - | 100.0% | 16 039 | 16 031 | | |
| Transfers and subsidies | - | 372 | - | 372 | 372 | - | 100.0% | 854 | 854 | | |
| Provinces and municipalities | - | 4 | - | 4 | 4 | - | 100.0% | - | - | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | 368 | - | 368 | 368 | - | 100.0% | 854 | 854 | | |
| Payments for capital assets | - | - | - | - | - | - | - | 135 | 135 | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | - | - | - | - | - | - | 135 | 135 | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 121 568 | 932 | - | 122 500 | 120 086 | 2 414 | 98.0% | 116 890 | 116 829 | | |

| 3.3 WORK SEEKER SERVICES | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 126 001 | (6 874) | - | 119 127 | 115 707 | 3 420 | 97.1% | 118 638 | 117 041 |
| Compensation of employees | 112 484 | (5 436) | - | 107 048 | 105 608 | 1 440 | 98.7% | 108 760 | 108 760 |
| Goods and services | 13 517 | (1 438) | - | 12 079 | 10 099 | 1 980 | 83.6% | 9 878 | 8 281 |
| Transfers and subsidies | 39 | 285 | - | 324 | 324 | - | 100.0% | 194 | 193 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 39 | 285 | - | 324 | 324 | - | 100.0% | 194 | 193 |
| Payments for capital assets | - | 7 | - | 7 | 7 | - | 100.0% | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 7 | - | 7 | 7 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 126 040 | (6 582) | - | 119 458 | 116 038 | 3 420 | 97.1% | 118 832 | 117 234 |

| 3.4 DESIGNATED GROUPS SPECIAL SE | 3.4 DESIGNATED GROUPS SPECIAL SERVICES | | | | | | | | | | | |
|---|--|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|--|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | | |
| Current payments | - | - | - | - | - | - | - | - | - | | | |
| Compensation of employees | - | - | - | - | - | - | - | - | - | | | |
| Goods and services | - | - | - | - | - | - | - | - | - | | | |
| Transfers and subsidies | 11 508 | - | - | 11 508 | 11 066 | 442 | 96.2% | 850 | 291 | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | | |
| Non-profit institutions | 11 508 | - | - | 11 508 | 11 066 | 442 | 96.2% | 850 | 291 | | | |
| Households | - | - | - | - | - | - | - | - | - | | | |
| Payments for capital assets | - | - | - | - | - | - | - | - | - | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | | |
| Machinery and equipment | - | - | - | - | - | - | - | - | - | | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | | |
| Total | 11 508 | - | - | 11 508 | 11 066 | 442 | 96.2% | 850 | 291 | | | |

| 3.5 SUPPORTED EMPLOYMENT ENT | | 2015/16 | | | | | | 2014 | 1/15 |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | | 2015/16 | | | | | | 2014 |),T2 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | - | 5 489 | - | 5 489 | 5 489 | - | 100.0% | 31 472 | 28 761 |
| Compensation of employees | - | 4 983 | - | 4 983 | 4 983 | - | 100.0% | 29 574 | 28 152 |
| Goods and services | - | 506 | - | 506 | 506 | - | 100.0% | 1 898 | 609 |
| Transfers and subsidies | 135 050 | 168 | - | 135 218 | 135 218 | - | 100.0% | 101 411 | 99 052 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 135 050 | - | - | 135 050 | 135 050 | - | 100.0% | 101 284 | 98 925 |
| Households | - | 168 | - | 168 | 168 | - | 100.0% | 127 | 127 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 135 050 | 5 657 | - | 140 707 | 140 707 | _ | 100.0% | 132 883 | 127 813 |

| 3.6 PRODUCTIVITY SOUTH AFRICA | 3.6 PRODUCTIVITY SOUTH AFRICA | | | | | | | | | | |
|---|-------------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|--|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | - | - | - | - | - | - | - | - | - | | |
| Compensation of employees | - | - | - | - | - | - | - | - | - | | |
| Goods and services | - | - | - | - | - | - | - | - | - | | |
| Transfers and subsidies | 45 531 | - | - | 45 531 | 45 531 | - | 100.0% | 43 119 | 43 119 | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | | |
| Departmental agencies and accounts | 45 531 | - | - | 45 531 | 45 531 | - | 100.0% | 43 119 | 43 119 | | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | | |
| Households | - | - | - | - | - | - | - | - | - | | |
| Payments for capital assets | - | - | - | - | - | - | - | - | - | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | | |
| Machinery and equipment | - | - | - | - | - | - | - | - | - | | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | | |
| Total | 45 531 | - | - | 45 531 | 45 531 | - | 100.0% | 43 119 | 43 119 | | |

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

| 3.8 COMPENSATION FUND | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | /15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 18 073 | - | - | 18 073 | 14 780 | 3 293 | 81.8% | 32 278 | 23 752 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 18 073 | - | - | 18 073 | 14 780 | 3 293 | 81.8% | 32 278 | 23 752 |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 18 073 | - | - | 18 073 | 14 780 | 3 293 | 81.8% | 32 278 | 23 752 |

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

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

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

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

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

| 4.2 STRENGTHEN CIVIL SOCIETY | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | /15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 17 929 | - | - | 17 929 | 17 929 | - | 100.0% | 17 318 | 17 318 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 17 929 | - | - | 17 929 | 17 929 | - | 100.0% | 17 318 | 17 318 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 17 929 | - | - | 17 929 | 17 929 | - | 100.0% | 17 318 | 17 318 |

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

| 4.4 EMPLOYMENT EQUITY | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014/15 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 14 631 | - | - | 14 631 | 14 249 | 382 | 97.4% | 14 316 | 9 904 |
| Compensation of employees | 6 817 | - | - | 6 817 | 6 624 | 193 | 97.2% | 6 609 | 6 376 |
| Goods and services | 7 814 | - | - | 7 814 | 7 625 | 189 | 97.6% | 7 707 | 3 528 |
| Transfers and subsidies | 8 | - | - | 8 | 8 | - | 100.0% | 39 | 39 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 8 | - | - | 8 | 8 | - | 100.0% | 39 | 39 |
| Payments for capital assets | 67 | - | - | 67 | 67 | - | 100.0% | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 67 | - | - | 67 | 67 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 14 706 | - | - | 14 706 | 14 324 | 382 | 97.4% | 14 355 | 9 943 |

| 4.5 EMPLOYMENT STANDARDS | | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|--|
| | 2 | 2015/16 | | | | | | 2014 | 2014/15 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure | |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 12 755 | - | - | 12 755 | 10 925 | 1 830 | 85.7% | 12 354 | 10 956 | |
| Compensation of employees | 7 392 | - | - | 7 392 | 7 293 | 99 | 98.7% | 6 689 | 6 517 | |
| Goods and services | 5 363 | - | - | 5 363 | 3 632 | 1 731 | 67.7% | 5 665 | 4 439 | |
| Transfers and subsidies | 32 | - | - | 32 | 32 | - | 100.0% | - | - | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - | |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - | |
| Non-profit institutions | - | - | - | - | - | - | - | - | - | |
| Households | 32 | - | - | 32 | 32 | - | 100.0% | - | - | |
| Payments for capital assets | - | 4 | - | 4 | 4 | - | 100.0% | 79 | 79 | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - | |
| Machinery and equipment | - | 4 | - | 4 | 4 | - | 100.0% | 79 | 79 | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 12 787 | 4 | - | 12 791 | 10 961 | 1 830 | 85.7% | 12 433 | 11 035 | |

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

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

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

| 4.9 INTERNATIONAL LABOUR MATTERS | | | | | | | | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 16 058 | - | - | 16 058 | 15 458 | 600 | 96.3% | 17 663 | 13 619 |
| Compensation of employees | 9 639 | - | - | 9 639 | 9 240 | 399 | 95.9% | 10 553 | 9 005 |
| Goods and services | 6 419 | - | - | 6 419 | 6 218 | 201 | 96.9% | 7 110 | 4 614 |
| Transfers and subsidies | 19 300 | 1 609 | - | 20 909 | 20 909 | - | 100.0% | 17 441 | 17 019 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | 19 300 | 1 609 | - | 20 909 | 20 909 | - | 100.0% | 17 441 | 17 019 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 36 | 28 | - | 64 | 64 | - | 100.0% | 136 | 136 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 36 | 28 | | 64 | 64 | - | 100.0% | 136 | 136 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 35 394 | 1 637 | - | 37 031 | 36 431 | 600 | 98.4% | 35 240 | 30 774 |

| 4.10 NATIONAL ECONOMIC DEVELOR | 4.10 NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL | | | | | | | | |
|---|---|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | 2 | 2015/16 | | | | | | 2014 | 1/15 |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual expenditure |
| ECONOMIC CLASSIFICATION | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 213 | - | - | 213 | - | 213 | - | 175 | - |
| Compensation of employees | 204 | - | - | 204 | - | 204 | - | 167 | - |
| Goods and services | 9 | - | - | 9 | - | 9 | - | 8 | - |
| Transfers and subsidies | 28 791 | - | - | 28 791 | 28 791 | - | 100.0% | 27 447 | 27 447 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 28 791 | - | - | 28 791 | 28 791 | - | 100.0% | 27 447 | 27 447 |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 29 004 | - | - | 29 004 | 28 791 | 213 | 99.3% | 27 622 | 27 447 |

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

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

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

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

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

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

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

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

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

The under spending is mainly attributable to the following reason:

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

| INSPECTION AND ENFORCEMENT SERVICES | | | | |
|-------------------------------------|---------|---------|--------|-------|
| Current payment | 439 771 | 439 771 | - | - |
| Transfers and subsidies | 1 216 | 1 216 | - | - |
| Payment for capital assets | 31 907 | 31 907 | - | - |
| Total | 472 894 | 472 894 | - | - |
| | | | | |
| PUBLIC EMPLOYMENT SERVICES | | | | |
| Current payment | 285 884 | 277 561 | 8 323 | 2.9% |
| Transfers and subsidies | 211 113 | 207 377 | 3 736 | 1.8% |
| Payment for capital assets | 300 | 161 | 139 | 46.3% |
| Total | 497 297 | 485 099 | 12 198 | 2.5% |

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

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

The under spending is mainly due to the following reasons:

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

| 4.2 PER ECONOMIC CLASSIFICATION | | | | |
|---|------------------------|-----------------------|----------|---|
| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 1 039 419 | 1 025 615 | 13 804 | 1.3% |
| Goods and services | 566 917 | 507 401 | 59 516 | 10.5% |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 622 | 550 | 72 | 11.6% |
| Departmental agencies and accounts | 824 206 | 820 912 | 3 294 | 0.4% |
| Foreign governments and international organisations | 20 912 | 20 912 | - | - |
| Non-profit institutions | 164 487 | 164 045 | 442 | 0.3% |
| Households | 3 999 | 3 999 | - | - |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 2 000 | 511 | 1 489 | 74.5% |
| Machinery and equipment | 81 212 | 67 590 | 13 622 | 16.8% |
| Payments for financial assets | 460 | 460 | - | - |

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

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

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

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

5.2.4 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

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

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

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

5.2.6 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

5.2.7 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. BASIS OF PREPARATION

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

2. GOING CONCERN

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

3. PRESENTATION CURRENCY

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

4. ROUNDING

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

5. FOREIGN CURRENCY TRANSLATION

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

6. COMPARATIVE INFORMATION

6.1 PRIOR PERIOD COMPARATIVE INFORMATION

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

6.2 CURRENT YEAR COMPARISON WITH BUDGET

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

7. REVENUE

7.1 APPROPRIATED FUNDS

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

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

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

7.2 DEPARTMENTAL REVENUE

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

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

7.3 ACCRUED DEPARTMENTAL REVENUE

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

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

8. EXPENDITURE

8.1 COMPENSATION OF EMPLOYEES

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 OTHER EXPENDITURE

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

8.3 ACCRUED EXPENDITURE PAYABLE

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

Accrued expenditure payable is measured at cost.

8.4 LEASES

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. AID ASSISTANCE

9.1 AID ASSISTANCE RECEIVED

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

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

9.2 AID ASSISTANCE PAID

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

10. CASH AND CASH EQUIVALENTS

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

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

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

11. PREPAYMENTS AND ADVANCES

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

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

12. LOANS AND RECEIVABLES

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

13. INVESTMENTS

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

14. FINANCIAL ASSETS

14.1 FINANCIAL ASSETS (NOT COVERED ELSEWHERE)

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

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

14.2 IMPAIRMENT OF FINANCIAL ASSETS

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

15. PAYABLES

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

16. CAPITAL ASSETS

16.1 IMMOVABLE CAPITAL ASSETS

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

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

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

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

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

16.2 MOVABLE CAPITAL ASSETS

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

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

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

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

Biological assets are subsequently carried at fair value.

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

16.3 INTANGIBLE ASSETS

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

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

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

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

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

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

17. PROVISIONS AND CONTINGENTS

17.1 PROVISIONS

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 CONTINGENT LIABILITIES

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

17.3 CONTINGENT ASSETS

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

17.4 COMMITMENTS

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

18. UNAUTHORISED EXPENDITURE

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

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

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

19. FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

20. IRREGULAR EXPENDITURE

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

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

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

21. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

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

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

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

22. EVENTS AFTER THE REPORTING DATE

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

23. PRINCIPAL-AGENT ARRANGEMENTS

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

24. DEPARTURES FROM THE MCS REQUIREMENTS

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

25. CAPITALISATION RESERVE

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

26. RECOVERABLE REVENUE

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

27. RELATED PARTY TRANSACTIONS

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

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

28. INVENTORIES (EFFECTIVE FROM 1 APRIL 2017)

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

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

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

29. PUBLIC-PRIVATE PARTNERSHIPS

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

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

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

1. ANNUAL APPROPRIATION

1.1 ANNUAL APPROPRIATION

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

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

2. DEPARTMENTAL REVENUE

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

2.1 SALE OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

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

105

1 108

2.2 FINES PENAITIES AND FORFEITS

| Note | 2015/16 | 2014/15 |
|------|-----------|---|
| 2 | R'000 | R'000 |
| | 4 | 4 |
| | 1 005 | - |
| _ | 1 009 | 4 |
| | | |
| Note | 2015/16 | 2014/15 |
| 2 | R'000 | R'000 |
| | 1 303 | 1 318 |
| _ | 1 303 | 1 318 |
| | | |
| Note | 2015/16 | 2014/15 |
| 2 | R'000 | R'000 |
| | 105 | 1 108 |
| 31 | 105 | 1 108 |
| | Note 2 | Note 2015/16 2 R'000 Note 2015/16 2 R'000 1 303 1 303 Note 2015/16 2 R'000 1 303 |

2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

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

3. COMPENSATION OF EMPLOYEES

3.1 SALARIES AND WAGES

Total

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

3.2 SOCIAL CONTRIBUTIONS

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

4 GOODS AND SERVICES

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

4.1 MINOR ASSETS

| | Note | 2015/16 | 2014/15 |
|-------------------------|------|---------|---------|
| | 4 | R'000 | R'000 |
| Tangible assets | | 2 869 | 4 417 |
| Machinery and equipment | | 2 869 | 4 417 |
| Total | | 2 869 | 4 417 |

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

4.2 COMPUTER SERVICES

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

4.3 AUDIT COST – EXTERNAL

| | Note 4 | 2015/16 R'000 | 2014/15 R'000 |
|-------------------|-----------|------------------|------------------|
| Regularity audits | - | 16 511 | 15 320 |
| Total | _ | 16 511 | 15 320 |

4.4 CONSUMABLES

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

4.5 PROPERTY PAYMENTS

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

4.6 TRAVEL AND SUBSISTENCE

Unspent funds transferred to the above beneficiaries

| 4.0 TRAVEL AND SUBSISTENCE | | | |
|---|-----------|------------------|------------------|
| | Note 4 | 2015/16 R'000 | 2014/15 R'000 |
| Local | - | 61 310 | 63 174 |
| Foreign | | 16 787 | 9 861 |
| Total | _ | 78 097 | 73 035 |
| 4.7 OTHER OPERATING EXPENDITURE | | | |
| | Note 4 | 2015/16 R'000 | 2014/15 R'000 |
| Professional bodies, membership and subscription fees | * | 35 | 22 |
| Resettlement costs | | 428 | 5 748 |
| Other | | 6 026 | 5 681 |
| Total | _ | 6 489 | 11 451 |
| 5. PAYMENTS FOR FINANCIAL ASSETS | | | |
| 5. FATMENTS FOR FINANCIAL ASSETS | Note | 2015/16 | 2014/15 |
| | | R'000 | R'000 |
| Debts written off | 5.1 | 460 | 895 |
| Total | _ | 460 | 895 |
| 5.1 DEBTS WRITTEN OFF | | | |
| | Note 5 | 2015/16 R'000 | 2014/15 R'000 |
| Nature of debts written off | | | |
| Other debt written off | | | |
| Staff debts | | 458 | 893 |
| Other | | 2 | 2 |
| Total debt written off | = | 460 | 895 |
| 6. TRANSFERS AND SUBSIDIES | | | |
| OF THAIRST ENG AND GODGIES | Note | 2015/16 R'000 | 2014/15 R'000 |
| Provinces and municipalities | Annex 1A | 550 | 473 |
| Departmental agencies and accounts | Annex 1B | 820 912 | 785 813 |
| Foreign governments and international organisations | Annex 1C | 20 912 | 17 019 |
| Non-profit institutions | Annex 1D | 164 045 | 116 584 |
| Households | Annex 1E | 3 999 | 4 724 |
| Total | _ | 1 010 418 | 924 613 |
| | _ | | |

7. EXPENDITURE FOR CAPITAL ASSETS

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

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

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

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

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

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

7.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

| | Note 7 | 2015/16 R'000 | 2014/15 R'000 |
|-------------------------|--------|------------------|------------------|
| Tangible assets | | 31 638 | 359 |
| Machinery and equipment | | 31 638 | 359 |
| Total | | 31 638 | 359 |

8. CASH AND CASH EQUIVALENTS

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

9. PREPAYMENTS AND ADVANCES

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

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

9.1 ADVANCES PAID

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

10. RECEIVABLES

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

10.1 CLAIMS RECOVERABLE

| 10.1 CLAIIVIS RECOVERABLE | | | |
|--|---------------------|------------------|------------------|
| | Note 10, Annex 4 | 2015/16 R'000 | 2014/15 R'000 |
| National departments | 20,7 11.11.01.1 | 12 318 | 12 293 |
| Provincial departments | | 469 | 403 |
| Public entities | | 58 860 | 87 251 |
| Total | | 71 647 | 99 947 |
| 10.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS) | | | |
| | Note | 2015/16 | 2014/15 |
| | 10 | R'000 | R'000 |
| Disallowance miscellaneous | | 839 | 898 |
| Damaged vehicles | | 244 | - |
| Disallowance accounts | | 3 248 | 1 796 |
| Clearing accounts | | 238 | 75 |
| Total | | 4 569 | 2 769 |
| 10.3 STAFF DEBT | | | |
| | Note | 2015/16 | 2014/15 |
| | 10 | R'000 | R'000 |
| Subsidised transport | | 11 | 118 |
| Travel and subsistence | | - | 2 |
| Bursaries | | 2 755 | 2 798 |
| Salary overpayment (In-service) | | 222 | 148 |
| Salary overpayment (Out-service) | | 835 | 847 |
| State guarantees | | 35 | 96 |
| Other | | 4 139 | 7 467 |
| Total | | 7 997 | 11 476 |
| 10.4 OTHER DEBTORS | | | |
| | Note 10 | 2015/16 R'000 | 2014/15 R'000 |
| Salary clearing accounts | | 1 | 407 |
| Total | | 1 | 407 |

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

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

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

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

13. BANK OVERDRAFT

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

14. PAYABLES - CURRENT

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

14.1 CLEARING ACCOUNTS

| | Note | 2015/16 | 2014/15 |
|-------------------------|------|---------|---------|
| | 14 | R'000 | R'000 |
| Salary control accounts | _ | 553 | 1 150 |
| Total | | 553 | 1 150 |

14.2 OTHER PAYABLES

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

15. PAYABLES - NON-CURRENT

| | | One to two years | Two to three years | More than three years | 2015/16 Total | 2014/15 Total |
|---------------------------------|------|------------------|--------------------|-----------------------|------------------|------------------|
| | Note | R'000 | R'000 | R'000 | R'000 | R'000 |
| Amounts owing to other entities | | - | - | - | - | 43 |
| Other payables | 15.1 | - | - | - | - | 94 |
| Total | | - | - | - | - | 137 |
| 15.1 OTHER PAYABLES | | | | | | |
| | | | Note | 2 | 015/16 | 2014/15 |

| | Note | 2015/16 | 2014/15 |
|--------------------------|------|---------|---------|
| | 15 | R'000 | R'000 |
| Salary clearing accounts | | - | 94 |
| Total | | - | 94 |

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

| No | te 2015/16 R'000 | 2014/15 R'000 |
|--|---------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | 102 295 | 137 511 |
| Add back non cash/cash movements not deemed operating activities | (24 665) | 13 270 |
| (Increase)/decrease in receivables – current | 30 385 | 85 731 |
| (Increase)/decrease in prepayments and advances | 6 807 | (9 407) |
| Increase/(decrease) in payables – current | 6 561 | (2 588) |
| Proceeds from sale of capital assets | (105) | (1 108) |
| Expenditure on capital assets | 68 101 | 36 461 |
| Surrenders to Revenue Fund | (136 414) | (95 819) |
| Net cash flow generated by operating activities | 77 630 | 150 781 |

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

| No | ote 2015/16 R'000 | 2014/15 R'000 |
|--|----------------------|------------------|
| Consolidated Paymaster General account | 9 289 | (205) |
| Disbursements | 86 | 3 |
| Cash on hand | 380 | 498 |
| Total | 9 755 | 296 |

18. CONTINGENT LIABILITIES

18.1 CONTINGENT LIABILITIES

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

18.2 CONTINGENT ASSETS

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

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

18.2.1 PRIOR PERIOD ERROR

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

19. COMMITMENTS

| | Note | 2015/16 | 2014/15 |
|--|------|------------------|------------------|
| | | R'000 | R'000 |
| Current expenditure | | 319 619 | 18 075 |
| Approved and contracted | | 119 405 | 14 032 |
| Approved but not yet contracted | | 200 214 | 4 043 |
| Capital expenditure | | 4 685 | 339 |
| Approved and contracted | | 3 287 | - |
| Approved but not yet contracted | | 1 398 | 339 |
| Total Commitments | | 324 304 | 18 414 |
| *Commitments amounting to R32 136 699.95 are older than 1 year | | | |
| | Note | 2015/16 R'000 | 2014/15 R'000 |
| Listed by programme level | | | |
| Programme 1 - Administration | | 134 435 | - |
| Programme 2 - Inspection and Enforcement Services | | 12 931 | - |
| Programme 3 - Public Employment Services | | 4 704 | - |
| Programme 4 - Labour Policy and Industrial Relations | | 5 063 | - |
| Compensation Fund | | 93 647 | - |
| Unemployment Insurance Fund | | 73 524 | - |
| Total | _ | 324 304 | - |
| | | | |

20. ACCRUALS AND PAYABLES NOT RECOGNISED

20.1 ACCRUALS

| | | | 2015/16 | 2014/15 |
|--|---------|----------|---------|---------|
| | 30 Days | 30+ Days | Total | Total |
| | R'000 | R'000 | R'000 | R'000 |
| Listed by economic Classification | | | | |
| Goods and services | 26 118 | 1 227 | 27 345 | 56 329 |
| Capital assets | 827 | - | 827 | 1 927 |
| Other | - | 26 480 | 26 480 | 14 583 |
| Total | 26 945 | 27 707 | 54 652 | 72 839 |
| | | Note | 2015/16 | 2014/15 |
| | | Note | R'000 | R'000 |
| Listed by programme level | | | | |
| Programme 1 – Administration | | | 51 566 | 68 150 |
| Programme 2 – Inspection and Enforcement Services | | | 1 032 | 713 |
| Programme 3 – Public Employment Services | | | 1 899 | 3 685 |
| Programme 4 – Labour Policy and Industrial Relations | | | 155 | 291 |
| Total | | _ | 54 652 | 72 839 |
| | | _ | | |

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

20.1.1 PRIOR PERIOD ERROR

| | Note | 2014/15 R'000 |
|---|-----------------------|------------------|
| Nature of prior period error | | |
| Relating to 2014/15 | | |
| Goods and services | | 56 329 |
| Capital assets | | 1 927 |
| Other* | | 14 583 |
| Total prior period errors | | 72 839 |
| *Included in the disclosed amount is accruals amounting to R14 583 190.96 for lease of building | gs (DPW) for 2014/15. | |
| 20.2 PAYABLES NOT RECOGNISED | | |
| | 2015/16 | 2014/15 |

| | | | 2015/16 | 2014/15 |
|--|---------|----------|---------|---------|
| | 30 Days | 30+ Days | Total | Total |
| | R'000 | R'000 | R'000 | R'000 |
| Listed by economic Classification | | | | |
| Goods and services | 113 | 7 | 120 | |
| Total | 113 | 7 | 120 | |
| | | Note | 2015/16 | 2014/15 |
| | | | R'000 | R'000 |
| Listed by programme level | | | | |
| Programme 1 – Administration | | | 106 | - |
| Programme 2 – Inspection and Enforcement Services | | | - | - |
| Programme 3 – Public Employment Services | | | 3 | - |
| Programme 4 – Labour Policy and Industrial Relations | | _ | 11 | |
| Total | | _ | 120 | - |
| | | Note | 2015/16 | 2014/15 |
| | | | R'000 | R'000 |
| Included in the above totals are the following: | | | | |
| Confirmed balances with other departments | | Annex 4 | 929 | 6 174 |
| Confirmed balances with other government entities | | Annex 4 | 30 | - |
| Total | | | 959 | 6 174 |
| | | _ | | |

21. EMPLOYEE BENEFITS

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

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

22. LEASE COMMITMENTS

22.1 OPERATING LEASES EXPENDITURE

| 2015/16 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|--|-------------------------------|----------------|
| Not later than 1 year | 127 730 | 8 088 | 135 818 |
| Later than 1 year and not later than 5 years | 161 883 | 5 548 | 167 431 |
| Total lease commitments | 289 613 | 13 636 | 303 249 |
| 200.0/47 | Buildings and other fixed structures | Machinery and equipment | Total |
| 2014/15 | R'000 | R'000 | R'000 |
| Not later than 1 year | 118 247 | 8 004 | 126 251 |
| Later than 1 year and not later than 5 years | 289 613 | 8 427 | 298 040 |
| Total lease commitments | 407 860 | 16 431 | 424 291 |

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

There are no assets that are being sub reason

22.1.1 PRIOR PERIOD ERROR

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

22.2 FINANCE LEASES EXPENDITURE**

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

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

22.2.1 PRIOR PERIOD ERROR

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

^{*}Finance Lease was classified under Commitments for the 2014/15 financial year.

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

23. ACCRUED DEPARTMENTAL REVENUE

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

23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

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

24. IRREGULAR EXPENDITURE

24.1 RECONCILIATION OF IRREGULAR EXPENDITURE

| Note | 2015/16 R'000 | 2014/15 R'000 |
|---|------------------|------------------|
| Opening balance | 18 594 | 11 783 |
| Add: Irregular expenditure – relating to current year | 25 257 | 8 120 |
| Less: Prior year amounts condoned | (3 013) | (40) |
| Less: Current year amounts condoned | (1 295) | (1 269) |
| Closing balance | 39 543 | 18 594 |
| Analysis of awaiting condonation per age classification | | |
| Current year | 23 962 | 6 812 |
| Prior years | 15 581 | 11 782 |
| Total | 39 543 | 18 594 |

24.2 DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR

| | | 2015/16 R'000 |
|---|--|------------------|
| Incident | Disciplinary steps taken/ criminal proceedings | |
| Correct procedures not followed | | 25 257 |
| Total | | 25 257 |
| 24.3 DETAILS OF IRREGULAR EXPE | NDITURE CONDONED | |
| | | 2015/16 R'000 |
| Incident | Condoned by Director-General | |
| Correct procurement procedures not foll | lowed | 4 308 |
| Total | _ | 4 308 |

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

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

25.2 ANALYSIS OF AWAITING RESOLUTION PER ECONOMIC CLASSIFICATION

| | Note | 2015/16 | 2014/15 |
|---------|------|---------|---------|
| | | R'000 | R'000 |
| Current | | 482 | 449 |
| Total | | 482 | 449 |

25.3 ANALYSIS OF CURRENT YEAR'S FRUITLESS AND WASTEFUL EXPENDITURE

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

26. RELATED PARTY TRANSACTIONS

Nature of relationship

Public Entities controlled by the Department of Labour

Compensation Fund (CF)

Unemployment Insurance Fund (UIF)

Supported Employment Enterprises (SEE)

Commission for Conciliation Mediation and Arbitration (CCMA)

National Economic Development and Labour Council (NEDLAC)

Productivity South Africa (PSA)

Related Party Transactions:

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

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

27. KEY MANAGEMENT PERSONNEL

| No. of Individuals | 2015/16 R'000 | 2014/15 R'000 |
|-----------------------|--------------------------|---|
| 2 | 4 211 | 3 438 |
| | | |
| 9 | 12 552 | 10 893 |
| 34 | 38 457 | 36 522 |
| 1 | 69 | 268 |
| 1 | 346 | - |
| | 55 635 | 51 121 |
| | Individuals 2 9 34 1 | Individuals R'000 2 4 211 9 12 552 34 38 457 1 69 1 346 |

28. PUBLIC PRIVATE PARTNERSHIP

Description of the arrangement

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

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

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

Amounts paid for Infrastructure IT Support Service:

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

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

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

Reinvestment fund

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

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

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

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

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

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

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

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

29. IMPAIRMENT

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

30. PROVISIONS

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

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

30.1 RECONCILIATION OF MOVEMENT IN PROVISIONS - 2015/16

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

30.2 RECONCILIATION OF MOVEMENT IN PROVISIONS - 2014/15

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

31. MOVABLE TANGIBLE CAPITAL ASSETS

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

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

Movable Tangible Capital Assets Under Investigation

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

| | Number | Value R'000 |
|-------------------------|--------|----------------|
| Machinery and equipment | 22 | 1 026 |

31.1 ADDITIONS

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

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

^{*}Finance Leases for R31 638 333.08 was included in the Additions above.

31.2 DISPOSALS

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

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

31.3 MOVEMENT FOR 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

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

31.3.1 PRIOR PERIOD ERROR

| 31.3.1 FRIOR FERIOD ERROR | |
|---|------------------|
| Note | 2014/15 R'000 |
| Nature of prior period error Relating to 2014/15 | |
| Non-Cash: Prior Period Price Corrections | 202 |
| Non-Cash: Prior Period Price Corrections | (3 078) |
| Reclassified: Prior Period Asset Category Corrections | 824 |
| Reclassified: Prior Period Asset Category Corrections | (754) |
| Total prior period errors | (2 806) |

31.4 MINOR ASSETS

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

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

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

Minor Capital Assets under investigation

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

| | | Value |
|-------------------------|--------|-------|
| | Number | R'000 |
| Machinery and equipment | 38 | 73 |

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

| | Intangible assets | Machinery and equipment | Total |
|--------------------------------|----------------------|-------------------------|---------|
| | R'000 | R'000 | R'000 |
| Opening balance | 15 | 105 956 | 105 971 |
| Value adjustments | (1) | 255 | 254 |
| Additions | 1 | 9 640 | 9 641 |
| Disposals | - | (7 443) | (7 443) |
| TOTAL MINOR ASSETS | 15 | 108 408 | 108 423 |
| | Intangible | Machinery and | |
| | assets | equipment | Total |
| Number of R1 minor assets | - | 6 715 | 6 715 |
| Number of minor assets at cost | 5 | 94 894 | 94 899 |
| TOTAL NUMBER OF MINOR ASSETS | 5 | 101 609 | 101 614 |

31.4.1 PRIOR PERIOD ERROR

| Note 32.4 | 2014/15 R'000 |
|---|------------------|
| Nature of prior period error | |
| Relating to 2014/15 | |
| Non-Cash: Prior Period Price Corrections | 286 |
| Non-Cash: Prior Period Price Corrections | (33) |
| Reclassified: Prior Period Asset Category Corrections | 6 |
| Reclassified: Prior Period Asset Category Corrections | (5) |
| Total prior period errors | 254 |

31.5 MOVABLE ASSETS WRITTEN OFF

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2016

| | Intangible assets R'000 | Machinery and equipment R'000 | Total R'000 |
|----------------------------------|-------------------------------|-------------------------------|----------------|
| Assets written off | - | 2 696 | 2 696 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | - | 2 696 | 2 696 |
| | | | |

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

| | Intangible assets | Machinery and equipment | Total |
|----------------------------------|----------------------|----------------------------|-------|
| | R'000 | R'000 | R'000 |
| Assets written off | - | 2 307 | 2 307 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | - | 2 307 | 2 307 |

32. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|-------------------------|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| Software | 202 173 | - | - | - | 202 173 |
| TOTAL INTANGIBLE ASSETS | 202 173 | - | - | - | 202 173 |

32.1 ADDITIONS

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Cash R'000 | Non-Cash R'000 | (Development work in progress – current costs) R'000 | Received current year, not paid (Paid current year, received prior year) R'000 | Total R'000 |
|-----------------|---------------|-------------------|---|---|----------------|
| Software | - | - | - | - | - |
| TOTAL ADDITIONS | - | - | - | - | - |

32.2 DISPOSALS

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Sold for cash R'000 | Non-cash disposal R'000 | Total disposals R'000 | Cash Received Actual R'000 |
|-----------------|---------------------------|-------------------------------|-----------------------------|----------------------------------|
| Software | - | - | - | - |
| TOTAL DISPOSALS | - | - | - | - |

32.3 MOVEMENT FOR 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|-------------------------|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| Software | 192 388 | - | 9 795 | (10) | 202 173 |
| TOTAL INTANGIBLE ASSETS | 192 388 | - | 9 795 | (10) | 202 173 |

33. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--------------------------------------|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| BUILDINGS AND OTHER FIXED STRUCTURES | 167 | - | 511 | (499) | 179 |
| Non-residential buildings | 106 | - | 511 | (499) | 118 |
| Other fixed structures | 61 | - | - | - | 61 |
| TOTAL TANGIBLE CAPITAL ASSETS | 167 | - | 511 | (499) | 179 |

33.1 ADDITIONS

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Cash R'000 | Non-cash R'000 | (Capital Work in Progress current costs and finance lease payments) R'000 | Received current, not paid(Paid current year, received prior year) R'000 | Total R'000 |
|--------------------------------------|---------------|-------------------|---|---|----------------|
| BUILDINGS AND OTHER FIXED STRUCTURES | 511 | - | - | - | 511 |
| Non-residential buildings | 511 | - | - | - | 511 |
| Other fixed structures | - | - | - | - | - |
| TOTAL ADDITIONS | 511 | - | - | - | 511 |

33.2 DISPOSALS

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|--------------------------------------|------------------|----------------------|--------------------|-------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | | (499) | (499) | |
| Non-residential buildings | - | (499) | (499) | - |
| Other fixed structures | - | - | - | - |
| TOTAL DISPOSALS | | (499) | (499) | |

33.3 MOVEMENT FOR 2014/15

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--------------------------------------|--------------------------|--------------------------------|--------------------|--------------------|--------------------------|
| BUILDINGS AND OTHER FIXED STRUCTURES | 215 | (70) | 1 989 | (1 967) | 167 |
| Non-residential buildings | 107 | 16 | 1 867 | (1 884) | 106 |
| Other fixed structures | 108 | (86) | 122 | (83) | 61 |
| TOTAL TANGIBLE CAPITAL ASSETS | 215 | (70) | 1 989 | (1 967) | 167 |

33.3.1 PRIOR PERIOD ERROR

| | Note | 2014/15 R'000 |
|---|------|------------------|
| Nature of prior period error | | |
| Relating to 2014/15 | | |
| Reclassified: Prior Period Asset Category Corrections | | (86) |
| Reclassified: Prior Period Asset Category Corrections | | 16 |
| Total prior period errors | | (70) |

34. PRINCIPAL-AGENT ARRANGEMENTS

34.1 DEPARTMENT ACTING AS THE PRINCIPAL

| 2015/16 | 2014/15 |
|---------|---|
| R'000 | R'000 |
| 12 186 | 16 531 |
| 17 929 | 17 318 |
| 417 | 136 |
| 308 | 155 |
| 30 840 | 34 140 |
| | R'000 12 186 17 929 417 308 |

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

Government Communication and Information Systems (GCIS):

Advance payments are made to GCIS to provide and outsource communication projects for the Department.

Strengthen Civil Society:

Strengthen Civil Society transfers funds to various civil society organisations that provide resources, support and expertise and protection to vulnerable workers to contribute to a stable and smooth functioning labour market and to improve the independence and self-reliance of workers.

National Council for the Physically Disabled:

The Department transfers funds to the National Council for the Physically Disabled to provide employment to people with disabilities that cannot be placed in the mainstream economy.

National Council for the Blind:

The Department transfers funds to the National Council for the Blind to provide employment to people with disabilities that cannot be placed in the mainstream economy.

5.2.9 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR **ENDED 31 MARCH 2016**

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

| | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | | 2014/15 | |
|----------------------------|----------------------------|------------|-------------|-----------------|-----------------|----------------|--|------------------------------------|---------------------------------|---|----------------------------|
| NAME OF MUNICIPALITY | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | | | | | |
| Municipal Vehicle Licences | 622 | - | - | 622 | 550 | - | - | - | - | | 473 |
| TOTAL | 622 | - | - | 622 | 550 | - | - | - | - | | 473 |

^{*}Vehicles in all Provincial Officers and Labour Centres – amount paid to municipalities across the country.

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| | TRANSFER A | LLOCATION | | | TRANSFER | | 2014/15 |
|---|---------------------------|------------|-------------|-----------------|-----------------|-------------------------------------|-------------------|
| DEPARTMENT/ AGENCY/ ACCOUNT | Adjusted Appropriation | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| Licences (Radio and TV) | 11 | - | - | 11 | 11 | 100% | 20 |
| Compensation Fund (CF) | 18 073 | - | - | 18 073 | 14 780 | 82% | 23 752 |
| Unemployment Insurance Fund (UIF) | 1 | - | - | 1 | - | | - |
| Commission for Conciliation, Mediation and Arbitration (CCMA) | 731 799 | - | - | 731 799 | 731 799 | 100% | 687 096 |
| Productivity SA | 45 531 | - | - | 45 531 | 45 531 | 100% | 43 119 |
| National Economic Development and Labour Council (NEDLAC) | 28 791 | - | - | 28 791 | 28 791 | 100% | 27 447 |
| Public Sector Seta | | - | - | - | - | | 4 276 |
| TOTAL | 824 206 | - | - | 824 206 | 820 912 | | 785 710 |

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

| | TRANSFER | ALLOCATIC | ON | | EXPENDIT | 2014/15 | |
|---|-------------------------------|------------|-------------|-----------------|-----------------|-------------------------------------|-------------------|
| FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| International Labour Organisation (ILO) | 19 753 | - | - | 19 753 | 19 753 | 100% | 16 155 |
| African Regional Labour Administration Centre (ARLAC) | 1 156 | - | - | 1 156 | 1 156 | 100% | 864 |
| Donations and gifts (FIGO) | 3 | - | - | 3 | 3 | 100% | - |
| TOTAL | 20 912 | - | - | 20 912 | 20 912 | | 17 019 |

ANNEXURE 1D STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| | TRANSFER | ALLOCATI | ON | | EXPENDIT | URE | 2014/15 |
|--|-------------------------------|------------|-------------|-----------------|-----------------|-------------------------------------|----------------------|
| NON-PROFIT INSTITUTIONS | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| SA National Council for the Blind | 308 | - | - | 308 | 308 | 100% | 155 |
| Deaf Federation of South Africa | 164 | - | - | 164 | - | | - |
| National Council for the Physical Disabled | 417 | - | - | 417 | 417 | 100% | 136 |
| Workcentres for the Disabled* | 135 050 | - | - | 135 050 | 135 050 | 100% | 91 132 |
| Workshops for the Blind* | 10 619 | - | - | 10 619 | 10 341 | 97% | 7 793 |
| Strengthen Civil Society | 17 929 | - | - | 17 929 | 17 929 | 100% | 17 318 |
| Donations and gifts NPI | _ | - | - | - | - | | 50 |
| TOTAL | 164 487 | - | - | 164 487 | 164 045 | | 116 584 |

^{*}Supported Employment Enterprises (SEE) transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities.

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

ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

| | TRANSFER | ALLOCATION | ON | | EXPENDIT | URE | 2014/15 |
|--------------------|-------------------------------|------------|-------------|-----------------|-----------------|-------------------------------------|-------------------|
| HOUSEHOLDS | Adjusted Appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| Leave gratuity | 3 311 | - | - | 3 311 | 3 311 | 100% | 4 693 |
| Ex-gratia payments | 688 | - | - | 688 | 688 | 100% | 31 |
| TOTAL | 3 999 | - | - | 3 999 | 3 999 | | 4 724 |

ANNEXURE 1F STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

| NATURE OF GIFT, DONATION OR SPONSORSHIP | 2015/16 | 2014/15 |
|---|---------|---------|
| | R'000 | R'000 |
| Made in kind | | |
| Office Furniture and Equipment: | | |
| Allemansdrift AET Centre | 5 | 68 |
| Nantes Primary School | - | 53 |
| Leading Note Music and Art Foundation | - | 33 |
| Remnant Ministries International Church | 47 | 48 |
| Zwanangaye Ophanage Home | 42 | - |
| Royal Eagle's Workshop Centre | 20 | - |
| End Time Message Assembly | 12 | |
| TOTAL | 126 | 202 |

ANNEXURE 2A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

| GUARANTOR INSTITUTION | Guarantee in respect of Housing | Original guaranteed capital amount | Opening balance 1 April 2 015 | Adjustment to opening balance | Guarantees draw downs during the year | Guarantees repayments/ cancelled/reduced/released during the year | Closing balance 31 March 2 016 | Guaranteed interest for year ended 31 March 2 016 | Realised losses not recoverable i.e. claims paid out |
|--|------------------------------------|---------------------------------------|----------------------------------|----------------------------------|---|---|-----------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Standard Bank of SA Limited | Housing Loan Guarantee | 620 | 620 | (81) | 152 | (39) | 652 | - | - |
| Nedbank Limited (former Cape of Good Hope) | Housing Loan Guarantee | 16 | 16 | - | - | - | 16 | - | _ |
| Nedbank Limited | Housing Loan Guarantee | 301 | 301 | (35) | - | - | 266 | - | - |
| Firstrand Bank Limited: FNB | Housing Loan Guarantee | 592 | 592 | (16) | - | (89) | 487 | - | - |
| ABSA | Housing Loan Guarantee | 332 | 332 | - | 107 | (43) | 396 | - | - |
| Company Unique Finance (PTY) | Housing Loan Guarantee | 30 | 30 | - | - | - | 30 | - | - |
| Old Mutual Finance Limited | Housing Loan Guarantee | 17 | 17 | - | - | - | 17 | - | - |
| Peoples Bank (former FBC Fidelity Bank) | Housing Loan Guarantee | 208 | 208 | (14) | - | - | 194 | - | - |
| Nedbank LTD Incorp. (former Peoples Bank NBS) | Housing Loan Guarantee | 356 | 356 | - | - | (12) | 344 | - | - |
| Firstrand Bank Limited: FNB (former Saambou) | Housing Loan Guarantee | 408 | 408 | - | - | (22) | 386 | - | _ |
| Old Mutual Bank Division of Nedbank (former PERM) | Housing Loan Guarantee | 258 | 258 | (10) | - | - | 248 | - | - |
| Future Bank Corporation Limited | Housing Loan Guarantee | 14 | 14 | - | - | - | 14 | - | - |
| Free State Development Corporation | Housing Loan Guarantee | 78 | 78 | - | - | (61) | 17 | - | - |
| VBS Mutual Bank | Housing Loan Guarantee | 7 | 7 | - | - | - | 7 | - | - |
| Green Start Home Loans (PTY) LTD | Housing Loan Guarantee | 33 | 33 | - | - | - | 33 | - | - |
| | TOTAL | 3 270 | 3 270 | (156) | 259 | (266) | 3 107 | - | - |

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

ANNEXURE 2B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

| NATURE OF LIABILITY | Opening Balance 1 April 2 015 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2 016 |
|-------------------------------|----------------------------------|--|---|--|-----------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the Department | | | | | |
| Claims: Supplier-related | 312 | - | - | - | 312 |
| Claims: Employee-related | 339 | - | - | - | 339 |
| Civil Claims | 1 875 | 1 920 | (21) | - | 3 774 |
| TOTAL | 2 526 | 1 920 | (21) | - | 4 425 |

ANNEXURE 3 CLAIMS RECOVERABLE

| | Confirme outsta | d balance Inding | Uncon bala outsta | nce | To | tal | Cash in at yea 2015 | transit ar end /16* |
|---|--------------------|---------------------|-------------------------|-------------|-------------|-------------|--|---------------------------|
| GOVERNMENT ENTITY | 31/03/2 016 | 31/03/2 015 | 31/03/2 016 | 31/03/2 015 | 31/03/2 016 | 31/03/2 015 | Receipt date up to six (6) working days after year end | Amount Amount |
| DEPARTMENT | K 000 | K 000 | K 000 | K 000 | K 000 | K 000 | | K 000 |
| Higher Education and Training | 32 | 32 | 12 144 | 12 144 | 12 176 | 12 176 | | - |
| Justice and Constitutional Development | 8 | - | - | - | 8 | - | | - |
| Provincial: Health GT | 41 | 41 | - | - | 41 | 41 | | - |
| Provincial: Health MP | 17 | - | - | - | 17 | - | | - |
| Provincial: Health EC | 23 | 23 | - | - | 23 | 23 | | - |
| Provincial: Health KZN | 28 | 17 | - | - | 28 | 17 | | - |
| Provincial: Health NW | 27 | 27 | - | - | 27 | 27 | | - |
| Provincial: Health LP | 4 | 4 | - | - | 4 | 4 | | - |
| Public Works | 41 | 41 | - | - | 41 | 41 | | - |
| Provincial: Public Works LP | 14 | 14 | - | - | 14 | 14 | | - |
| Gauteng Shared Services | 15 | 27 | - | - | 15 | 27 | | - |
| Social Development | 15 | - | - | - | 15 | - | | - |
| Provincial: Social Development EC | - | 12 | - | - | - | 12 | | - |
| Provincial: Social Development GT | 7 | 7 | - | - | 7 | 7 | | - |
| Provincial: Rural Development and Land Reform WC | - | 14 | - | - | - | 14 | | - |
| Provincial: Transport KZN | 19 | 19 | - | - | 19 | 19 | | - |
| Water and Sanitation | 9 | - | - | - | 9 | - | | - |
| Provincial: Water Affairs EC | - | 9 | - | - | - | 9 | | - |
| Provincial: Art and Culture KZN | 13 | 13 | - | - | 13 | 13 | | - |
| KZN Agriculture, Environment Affairs and Rural Development | 4 | 4 | - | - | 4 | 4 | | - |
| Provincial: Co-operative Governance and Traditional Affairs KZN | 17 | 17 | - | - | 17 | 17 | | - |
| Provincial: Co-operative Governance and Traditional Affairs GT | - | 10 | - | - | - | 10 | | - |
| Correctional Services GT | 35 | 9 | - | - | 35 | 9 | | - |

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

ANNEXURE 3 (CONTINUED) CLAIMS RECOVERABLE

| | Confirme outsta | | bala | Unconfirmed balance outstanding | | tal | Cash in transit at year end 2015/16* | |
|--|--------------------|-------------|-------------|---------------------------------------|-------------|-------------|--|--------|
| GOVERNMENT ENTITY | 31/03/2 016 | 31/03/2 015 | 31/03/2 016 | 31/03/2 015 | 31/03/2 016 | 31/03/2 015 | Receipt date up to six (6) working days after year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Provincial: Treasury FS | 13 | 13 | - | - | 13 | 13 | | - |
| Provincial: Health and Social Development LP | 38 | 38 | - | - | 38 | 38 | | - |
| Provincial: Roads and Public Transport EC | 8 | 8 | - | - | 8 | 8 | | - |
| Provincial: Statistics South Africa WC | - | 25 | - | - | - | 25 | | - |
| Provincial: Home Affairs GT | 18 | - | - | - | 18 | - | | - |
| Provincial: Home Affairs NW | - | 12 | - | - | - | 12 | | - |
| Provincial: Human Settlement GT | 8 | 8 | - | - | 8 | 8 | | - |
| Provincial Environmental Affairs | 19 | - | - | - | 19 | - | | - |
| Provincial: Education MP | 6 | 6 | - | - | 6 | 6 | | - |
| Provincial: Education GT | 44 | 28 | - | - | 44 | 28 | | - |
| Provincial: Education EC | 34 | 34 | - | - | 34 | 34 | | - |
| Government Pension Administration Agency (GPAA) | - | 19 | - | - | - | 19 | | - |
| International Relations and Co-operation (Dirco) | 21 | 21 | - | - | 21 | 21 | | - |
| OTHER GOVERNMENT ENTITIES | | | | | | | | |
| Compensation Fund (CF) | 23 378 | 60 992 | - | - | 23 378 | 60 992 | | - |
| National Skills Fund (NSF) | 964 | 964 | - | - | 964 | 964 | | - |
| Unemployment Insurance Fund (UIF) | 34 278 | 25 251 | - | - | 34 278 | 25 251 | | - |
| Supported Employment Enterprises | 241 | - | - | - | 241 | - | | - |
| South African Social Security Agency (SASSA) GT | 35 | 35 | - | - | 35 | 35 | | - |
| South African Social Security Agency (SASSA) KZN | 9 | 9 | - | - | 9 | 9 | | - |
| Centre for Public Service Innovation | 20 | - | - | - | 20 | - | | - |
| TOTAL | 59 503 | 87 803 | 12 144 | 12 144 | 71 647 | 99 947 | | - |

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

| | Confii bala outsta | rmed nce nding | Unconf bala outsta | firmed nce nding | Tot | tal | Cash in tran at year end 201 | sit 5/16* |
|--|--------------------------|----------------------|--------------------------|------------------------|------------|------------|--|--------------|
| GOVERNMENT ENTITY | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 | Payment date up to six (6) working days before year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| Home Affairs | 112 | 152 | - | - | 112 | 152 | | - |
| Public Works | - | 4 618 | - | 58 577 | - | 63 195 | | - |
| South African Police Services | 43 | 42 | 1 | - | 44 | 42 | | - |
| Free State Province | - | 46 | - | - | - | 46 | | - |
| Roads and Public Works: Eastern Cape | - | 17 | - | - | - | 17 | | - |
| Government Communication and Info Services | - | - | 800 | 615 | 800 | 615 | | - |
| Social Development: Northern Cape | 17 | - | - | - | 17 | - | | - |
| Social Development: KwaZulu-Natal | 1 | - | - | - | 1 | - | | - |
| Police, Roads and Transport: Free State | 18 | - | - | - | 18 | - | | - |
| Justice and Constitutional Development | 706 | - | 13 093 | - | 13 799 | - | | - |
| Education: KwaZulu-Natal | 15 | - | - | - | 15 | - | | - |
| Public Works and Roads: North West | 17 | - | - | - | 17 | - | | - |
| Non-current | | | | | | | | |
| Public Works | - | 1 140 | - | - | - | 1 140 | | - |
| Higher Education and Training | - | - | 18 | - | 18 | - | | - |
| Justice and Constitutional Development | - | - | 11 | - | 11 | - | | - |
| OTHER GOVERNMENT ENTITY | | | | | | | | |
| Current | | | | | | | | |
| Government Printing | 30 | 159 | - | 729 | 30 | 888 | 18 and 23 Mar'16 | 24 |
| TOTAL | 959 | 6 174 | 13 923 | 59 921 | 14 882 | 66 095 | | 24 |

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

ANNEXURE 5 INVENTORIES

| INVENTORY | Note | Quantity | 2015/16 | Quantity | 2014/15 |
|---|------|----------|----------|-----------|----------|
| | | | R'000 | | R'000 |
| Opening balance | | 182 345 | 5 218 | 460 497 | 9 796 |
| Add/(Less): Adjustments to prior year balance | | (5 411) | 30 628 | (279 571) | (3 805) |
| Add: Additions/Purchases - Cash | | - | 3 842 | 373 635 | 28 780 |
| Add: Additions - Non-cash | | - | - | - | - |
| (Less): Disposals | | - | (66) | (11 484) | (1 129) |
| (Less): Issues | | - | (5 119) | (368 787) | (28 522) |
| Add/(Less): Adjustments | | 15 723 | (27 043) | 8 055 | 98 |
| Closing balance | | 192 657 | 7 460 | 182 345 | 5 218 |

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

ANNEXURE 6 MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance | Current Year Capital WIP | Completed Assets | Closing balance |
|--------------------------------------|-----------------|-----------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 12 159 | - | - | 12 159 |
| Dwellings | - | - | - | - |
| Non-residential buildings | 12 159 | - | - | 12 159 |
| Other fixed structures | - | - | - | - |
| TOTAL | 12 159 | - | - | 12 159 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance | Prior period error | Current Year Capital WIP | Completed Assets | Closing balance |
|--------------------------------------|-----------------|-----------------------|-----------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 13 065 | - | 481 | (1 387) | 12 159 |
| Dwellings | - | - | - | - | - |
| Non-residential buildings | 13 065 | - | 481 | (1 387) | 12 159 |
| Other fixed structures | - | - | - | - | - |
| | | | | | |
| TOTAL | 13 065 | - | 481 | (1 387) | 12 159 |

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

ANNEXURE 7A INTER-ENTITY ADVANCES PAID (NOTE 9)

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------|------------|---------------------------------|------------|------------|------------|
| ENTITY | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NATIONAL DEPARTMENTS | | | | | | |
| Government Communication and Information Systems (GCIS) | 12 186 | - | - | - | 12 186 | - |
| International Relations and Co-operation (Dirco) | 280 | - | - | - | 280 | - |
| PUBLIC ENTITIES | | | | | | |
| SA Post Office (Permit Mail) | 50 | - | - | - | 50 | - |
| TOTAL | 12 516 | - | - | - | 12 516 | - |



SUPPORTED EMPLOYMENT ENTERPRISES

| 5.1 (a) | Statement of Responsibility by the Accounting Officer | | | |
|---------|---|-----|--|--|
| 5.1 (b) | Report of the Accounting Officer | 212 | | |
| 5.2 | Annual Performance Monitoring Report | 214 | | |
| 5.3 | Progress report regarding the prior year audit report | 217 | | |
| 5.4 | Report of the Auditor-General | 220 | | |
| 6.5 | Annual Financial Statements | 224 | | |
| | 6.5.1 Statement of Financial Performance | 224 | | |
| | 6.5.2 Statement of Financial Position | 225 | | |
| | 6.5.3 Statement of Changes in Net Assets | 226 | | |
| | 6.5.4 Statement of Cash Flow | 227 | | |
| | 6.5.5 Accounting policies | 228 | | |
| | 6.5.6 Notes to the Annual Financial Statements | 236 | | |

SUPPORTED EMPLOYMENT ENTERPRISES (SEE)

6.1 (A) STATEMENT OF RESPONSIBILITY BY THE ACCOUNTING OFFICER

The Director-General of Labour is responsible for the preparation and fair presentation of these Annual Financial Statements in accordance with South African Statements of Generally Recognized Accounting Practice (GRAP) and in the manner required by the Public Finance Management Act, 1999, (Act No. 1 of 1999). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Auditor-General of South Africa is responsible for expressing an opinion on the fair presentation of the financial statements.

As the Director-General is also responsible for the system of internal financial control, it should be noted that these are designed to provide reasonable, but not absolute, assurance as to the fair presentation of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of the Director-General to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Director-General has every reason to believe that the SEE factories have adequate resources in place to continue in operation for the foreseeable future.

The financial statements have been audited by the Auditor-General of South Africa, who was given unrestricted access to all financial records and related data, including minutes of all management meetings held. The Auditor-General of South Africa believes that all representations made to the Auditor-General of South Africa during the audit were valid and appropriate.

The financial statements were approved by the Director-General on 31 May 2016.

T Lamati

Director-General: Labour 29 July 2016

6.1 (B) REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

6.1.1 GENERAL REVIEW OF THE STATE OF AFFAIRS

The Supported Employment Enterprises (SEE), previously referred to as Sheltered Employment Factories, were established in 1943 to provide employment for people with mental and physical disabilities that prevented them from entering the open labour market due to the nature of their afflictions. The factories are open to all races.

The factories have operated since inception, under a Cabinet Memorandum adopted in 1943.

The Employment Services Act. no. 4 of 2014, which was promulgated on 9 August 2015, makes provision for the establishment of Supported Employment Enterprises (SEE). The SEE will be established in terms of the Public Service Act as a Government Component. This is in line with the implementation of turnaround strategies to ensure that the factories are viable sustainable entities.

There are currently 12 factories across the country in seven (7) of the nine (9) provinces. Income from the factories is generated from sales of manufactured goods that include wood and metal furniture, hospital commodities, linen, bedding, protective clothing, garments, upholstery, and screen printing. The income from sales, supplemented by subsidy transfers from the Department of Labour, covers the operating expenses of the factories.

It is the vision of the factories to transform and expand direct employment for people with intellectual and multiple disabilities, and to develop as a provider of quality training for people with disabilities to enable and facilitate their transition into the open labour market.

6.1.2 SERVICES RENDERED BY SEE

- SEE is a manufacturing organization of textiles, wood and metal products
- The entity supplies government hospitals with linen and protective clothing
- It also supplies different departments with office furniture as well as school furniture to Basic Education
- The results of the operations of the SEE are summarized in the Statement of Comprehensive Income and the Statement of Changes in Equity.

6.1.3 CAPACITY CONSTRAINTS

- The structure of the SEE has been approved as per recommendation from the Business Case and most of the positions have been filled including the position of the CFO
- . There is a need to review the current approved structure in order to capacitate the entity and ensure the smooth running of the organisation.

6.1.4 CORPORATE GOVERNANCE ARRANGEMENTS

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

- Internal audit
- Audit and risk committee

6.1.5 INVENTORIES

All inventory opening and closing balances together with movement for the year has been reflected in note 8 of the Annual Financial Statements.

6.1.6 APPROVAL

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

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T Lamati

Director-General: Labour 29 July 2016

6.2 ANNUAL PERFORMANCE MONITORING REPORT

| | | Performance Indicators | Actual Achievement | Annual Target | | Deviation from Planned target to actual | |
|----|--|---|---|--|---|--|---|
| Ke | y Outputs | For 2015/16 | 2014/2015 | For 2015/16 | Actual Performance | achievement 2015/2016 | Reasons for Variance |
| An | efficient, effective | e and development o | rientated public ser | vice (Outcome 12) | | | |
| 1. | Manage factories to be viable and sustainable enterprise. | 1.1 Strategic risks monitored in line with the Risk Appetite Model/ Framework. | Achieved Quarterly risks were monitored and reports were prepared and discussed at the Management Committee. | Quarterly strategic risks monitoring reports prepared and discussed at the Management Committee (MANCO). | Not Achieved Strategic Risks not monitored and no reports prepared for discussion at the Management Committee due to capacity constraints that led to lack of Strategic Risk Management. | 100% deviation from planned target to actual achievement Strategic Risk Assessment was not conducted in 2015/2016. | The structure does not provide for a Risk Management function. Establish a Risk Management Unit at SEE. Conduct Strategic Risk Assessment for 2016/2017 and prepare an assessment report to be presented to the NRMC after which it will be recommended for approval by the AO/DG. |
| 2. | Accessible Supported Employment Enterprises for all South Africans. | 2.1.Expansion consultations conducted for the expansion of the SEE into Limpopo and Mpumalanga. | Not Achieved Consultation Plan was not implemented with all relevant stakeholders. | Feasibility Study Conducted and approved by the Department of Labour. | Not Achieved Feasibility study report not finalised. | 50% deviation from planned target. Consultation Meetings conducted with both Limpopo and Mpumalanga, however, the feasibility study has not been concluded and approved. | Delays in securing consultation meeting with relevant stakeholders. |
| 3. | Increase sales/ revenue from goods and services in the SEE. | 3.1 Increased sales of goods and services in SEE. | | Increase sales to R70 million per annum. | Not Achieved Sales revenue generated from operations is R52 404 193. | 26% deviation from planned target to actual achievement as only R52 million sales revenue was achieved from the targeted R70million. | The projected sales agreements were only concluded in March 2016 and revenue will only be recognised in the new financial year. |

| | | Performance Indicators | Actual Achievement | Annual Target | | Deviation from Planned target to actual | |
|-----|---|---|---|---|---|---|--|
| Key | Outputs | For 2015/16 | 2014/2015 | For 2015/16 | Actual Performance | achievement 2015/2016 | Reasons for Variance |
| 4. | Increase the Gross Profit Margin on all goods and services. | 4.1 Increased gross profit margin. | N/A | Gross profit margin increased to 38% | Not Achieved -244% | 100% deviation from planned target | The reason for the deviation is due to the change in accounting treatment of Cost of Sales. The entity has adopted the absorption costing model, which recognises all factory direct and indirect costs under cost of sales in line with the requirement of GRAP 12. |
| 5. | Increase awareness of the SEE to the market. | 5.1 SEE marketing strategy reviewed and approved for implementation in line with the market, the Business Case and the Employment Services Act 4 of 2014. | Achieved Marketing Strategy developed, approved and implemented. | Review marketing strategy and implementation plan in line with market conditions and get approval. | Achieved Marketing Strategy and Implementation plan were reviewed in line with market conditions and approved. | N/A | N/A |
| 6. | Improve production performance and efficiency in the factories. | 6.1 Production Standards developed and implemented in SEE Factories. | Not Achieved Productions Standards not developed and not implemented across all factories. | Develop production standards across all factories and get approval. | Not Achieved Production norms and standards developed but not yet implemented across all factories. | 50% deviation as the production standards were not yet implemented across all factories. | Delays in finalising and consolidating production norms and standards led to delays in implementation across all factories. |
| Dec | Decent employment through inclusive economic growth (outcome 4) | | | | | | |
| 7. | Develop a finance management turnaround strategy. | 7.1 Financial security and sustainability achieved in line with the Financial Management Strategy. | Not Achieved Financial Management Strategy not finalised and approved. | Financial Management Strategy 80% implemented and measured against KPI's on a quarterly basis. | Not Achieved 80% of the finance management strategy not implemented and measured against KPI's on a quarterly basis. | 100% deviation from planned target to actual achievement as Financial Management Strategy not finalised and approved. | Inadequate capacity within the finance unit to complete the finance management strategy due to the resignation of the Chief Financial Officer. |

| | | Performance Indicators | Actual Achievement | Annual Target | | Deviation from Planned target to actual | |
|-----|--|---|---|---|---|--|--|
| Key | Outputs | For 2015/16 | 2014/2015 | For 2015/16 | Actual Performance | achievement 2015/2016 | Reasons for Variance |
| 8. | Enforced Supply Chain Management procedures to comply with PFMA. | 8.1 Procurements done in line with the Supply Chain Management Policy. | Contracts with suppliers of raw material not reviewed Invitations for more suppliers for long term contracts not yet issued Performance on the implementation of SCM policy has been assessed in line with reporting framework. | Performance on implementation of Supply Chain Management policy assessed Review the Supply Chain Management Policy to be in Line with Treasury Guidelines and updates. Develop Supply Chain Management Framework | Performance on implementation of Supply Chain Management policy not assessed Supply Chain Management Policy Reviewed to be in Line with Treasury Guidelines and updates but not yet approved Supply Chain Management Framework developed. | 100% deviation from planned target as the performance on implementation and the reviewed policy was not yet approved. | Delays in finalising reviewed policy in time for approval. |
| 9. | Contribute to decent employment creation. | 9.1 Increased sustainable work opportunities created for persons with disabilities, increase SEE capacity to 998 persons with disabilities employed in the SEE by end March 2015. | Not Achieved 40 additional temporary employment opportunities were created for persons with disabilities through the DBE project by using locals nearer to the schools to assemble desks | 50 additional Employment opportunities created for people with disabilities. | Not Achieved No additional employment opportunities were created for persons with disabilities. | 100% deviation from planned target to actual achievement due to inadequate production activity due to low sales volumes. Additional orders were only received towards the end of the year which would be produced in 2015/16 | SEE secured long- term contract for the production of hospital linen and school furniture but delays in finalising contracts for the supply of raw materials delayed recruitment. |
| 10. | Effectively manage Employment Equity in line with the EE Plan of the SEE. | SEE Employment Equity Plan implemented. | Not Achieved Youth = 14.5% Women = 30% | 14% of Youth employed in the SEE as at end of March 2016 36% of Women employed in the SEE by end of March 2016 26% of Africans employed in the SEE by end of March 2016. 2% persons with disabilities employed in administration and management posts. | Achieved 15.8% 33.7% 26.8% | None | None |

6.3 PRIOR MODIFICATIONS TO AUDIT REPORTS

AUDIT REPORT AND IMPORTANT MATTERS IN THE MANAGEMENT REPORT FOR THE 2014/15 **FINANCIAL YEAR:**

| Nature | of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter* | |
|----------|---|--|---|--|
| Disclain | ner | None | None | |
| Adverse | e opinion | None | None | |
| Qualific | ation | | | |
| l. | Basis for qualified opinion | | | |
| 1.1 | Cost of sales and operating expenses: The entity did not absorb direct labour costs which are directly linked to production using the appropriate labour overhead recovery rate in accordance with GRAP 12, Inventories. Therefore, the entity incorrectly absorbed the cost of labour in operating expenses instead of cost of sales. Consequently, cost of sales is understated by R40 539 million and operating expenses overstated by R40 539 million. | 2014/15 | Resolved | |
| 1.2 | Related party transactions: The trading entity did not disclose the remuneration of key management personnel, in accordance with GRAP 20 Related-party disclosures. The remuneration of key management personnel should be disclosed in total and for each of the following categories: short-term employee benefits, post-employment benefits, other long-term benefits and termination benefits. | 2014/15 | Resolved | |
| 1.3 | Cash flow statement: The Auditor-General was unable to obtain sufficient appropriate audit evidence for amounts presented in the cash flow statement, as The Auditor-General was not provided with audit evidence to substantiate calculations for amount presented. The Auditor-General was unable to confirm cash flow amounts by alternative means. Consequently, The Auditor-General was unable to determine whether any adjustment was required to the cash flow statement. | 2014/15 | Resolved | |
| 1.4 | Aggregation of immaterial uncorrected misstatements: The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements amongst others, the following items included in the statement of financial position, the statement of financial performance and the notes to the financial statements: Trade and other payables are understated by R1,198 million Cash and cash equivalents are understated by R97 649. Non-current finance lease liability is overstated by R15 276 and current portion of finance lease liability is overstated by R99 043. Operating expenses are understated by R1,141 million Finance costs are understated by R114 487 | 2012/13 | Resolved | |
| 2. | Emphasis of matters The Auditor-General draw attention to the matters below. My opinion is not modified | in respect of these m | atters. | |
| 2.1 | Restatement of corresponding figures As disclosed in note 19 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during the year ended 31 March 2015 in the financial statements of the SEE at, and for the year ended, 31 March 2014 | 2012/13 | Resolved | |

2.2 Report on other legal and regulatory requirements

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

3. Predetermined objectives

The Auditor-General performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the trading entity for the year ended 31 March 2015.

Auditor General evaluated the reported performance information against the overall criteria of usefulness and reliability.

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

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

3.1 The material findings selected programmes/objectives are as follows:

context of the material findings on the usefulness of the reported performance

information for the selected objectives reported in this report.

3.1.1 Objective 2: Decent employment through inclusive growth

Usefulness of reported performance information Measurability of indicators and targets

| | , | | |
|---------|--|---------|--|
| 3.1.1.1 | Performance targets should be measurable as required by the FMPPI. The Auditor-General could not measure the required performance for 25% of the targets. This was due to non-adherence by management to the FMPPI and the fact that management had not received the necessary training to enable application of the principles. | 2012/13 | Resolved. An action plan developed to address the finding. |
| 3.1.1.2 | Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 25% of the indicators were not well defined. This was because management was not adequately trained in the requirements of the FMPPI. | 2012/13 | Resolved. An action plan developed to address the finding. |
| 4. | Additional matter | | |
| 4.1 | Achievement of planned targets Refer to the 2014/15 annual performance report for information on the achievement of the planned targets for the year. This information should be considered in the | 2012/13 | The CEO tasked with ensuring oversight regarding predetermined |

4.2 Adjustment of material misstatements

The Auditor-General identified material misstatements in the annual performance report submitted for auditing on the reported performance information of objective 2: Decent employment through inclusive growth. As management subsequently corrected the misstatements, The Auditor-General did not raise any material findings on the reliability of the reported performance information.

objectives.

4.3 Compliance with legislation

Auditor General performed procedures to obtain evidence that the trading entity had complied with applicable legislation regarding financial matters, financial management and other related matters. Auditor General findings on material noncompliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

| 4 | 4.3.1 | Procurement and contract management | | The CEO tasked with ensuring |
|---|-------|--|---------|--|
| | | Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1. | 2012/13 | oversight regarding procurement and contract management. |

| 4.3.2 | Expenditure management The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act. | 2012/13 | The CEO tasked with ensuring oversight regarding expenditure management. |
|-------|---|-------------------------|--|
| 4.3.3 | Annual financial statements, performance and annual report The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the Public Finance Management Act. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion. | 2012/13 | Resolved. An action plan developed to address the finding. |
| 4.3.4 | Revenue management | | The CEO tasked with ensuring oversight |
| | The CEO did not establish systems, procedures and processes to ensure efficient and effective cash management, including, collecting revenue when it is due, pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable are collected, and accurately forecasting the institution's cash flow requirements, as required by TR 15.10.1.1, and TR 15.10.1.2 | 2012/13 | regarding Revenue management. |
| 5. | Internal control | | |
| | The Auditor General is considered with regards to internal control relevant to the audit performance report and compliance with legislation. The matters reported below are I deficiencies that resulted in the basis for, the findings on the annual performance repolegislation included in this report. | imited to the significa | nt internal control |
| 6. | Leadership | | |
| 6.1 | A lack of oversight by management relating to failure to ensure compliance with laws and regulations based on the non-compliance identified due the misstatements in the financial statements and annual performance report in the current year and non-adherence to National Treasury supply chain related regulations. | 2012/13 | The Department takes note of the Auditor General's recommendation |
| 6.2 | The accounting officer did not ensure that the chief financial officer's role was filled timeously, which resulted in multiple internal control breakdowns during the year. | 2014/15 | The Department takes note of the Auditor General's recommendation |
| 6.3 | The Supported Employment Enterprises developed a plan to address prior year internal and external audit findings, but adherence to the plan was not adequately monitored on a timely basis by the appropriate level of management. As a result a number of deficiencies reported in the prior year recurred in the current year. | 2014/15 | The Department takes note of the Auditor General's recommendation |
| 7. | Financial and performance management | | |
| 7.1 | Management did not ensure that staff members were adequately trained to apply proper procedures to facilitate sound record management. | 2012/13 | Resolved. An action plan developed to address the finding. |
| | Management did not ensure all monthly controls were functioning adequately resulting in misstatements due to incorrect fixed overhead costing of stock and bank reconciliations that were not performed daily. | 2012/13 | Resolved. An action plan developed to address the finding. |
| | Non-compliance with the PFMA, treasury regulations and Standards of GRAP resulted in material misstatements. Furthermore deficiencies were noted regarding the reporting of predetermined objectives and compliance. | 2012/13 | Resolved. An action plan developed to address the finding. |
| 8. | Governance | | |
| 8.1 | Risk management processes were inadequate to identify and monitor risks relating to the achievement of financial and performance reporting objectives. | 2013/14 | The Department takes note of the Auditor General's recommendation. The CEO has been tasked with oversight to ensure adequate risk management |

6.4 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SUPPORTED EMPLOYMENT **ENTERPRISES**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Supported Employment Enterprise set out on pages 224 to 227, which comprise statement of financial position as at 31 March 2016, the statement of financial performance and other comprehensive income, statement of changes in net assets and statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

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

Auditor-general's responsibility

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

BASIS OF QUALIFIED OPINION

Cost of sales and inventories

- 6. The entity did not recognise all the purchase of materials in accordance with GRAP 12: inventories. The inventories recognised as an expense and cost of sales were understated by R8 689 637 (2015: R-unknown). Furthermore, material differences amounting R4 666 587 were identified between the inventories schedule and the amount disclosed in the financial statements. Consequently, I was unable to determine whether any adjustment was necessary with regard to:
 - Cost of sales of R128 072 912 (2015: R104 413 628); and
 - Inventories of R3 314 854 (2015: 11 658 756).

Receivables and impairments

7. The entity had reviewed and assessed the provision for doubtful debts for receivables from exchange transactions, but did not perform it in accordance with GRAP 104: Financial instruments. I was unable to confirm this provision for doubtful debts by alternative means. Furthermore, material differences amounting R4 103 157 were identified between receivables age analysis and the amount disclosed in the financial statements. Consequently, I was unable to determine whether any adjustment relating to trade and other receivables from exchange transactions stated at R15 314 590 and impairments stated at R453 400 in the financial statements was necessary.

Cash flow statement

8. I was unable to obtain sufficient appropriate audit evidence for amounts presented in the cash flow statement, as I was not provided with audit evidence to substantiate calculations for amount presented. I was unable to confirm cash flow amounts by alternative means. Consequently, I was unable to determine whether any adjustment was required to the cash flow statement.

Qualified opinion

9. In my opinion, except for the effects for limitations and disagreements, and possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Supported Employment Enterprise as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matters

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

Restatement of corresponding figures

11. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the year ended 31 March 2016 in the financial statements of the Supported Employment Enterprise.

Report on other legal and regulatory requirements

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

Predetermined objectives

- 13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:
 - Objective 1: An efficient, effective and development oriented public service and empowered, fair inclusive citizenship on pages 214 to 215
 - Objective 2: Decent employment through inclusive growth on pages 215 to 216.
- 14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
- 15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
- 16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

- 17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Objective 1: An efficient, effective and development oriented public service and empowered, fair inclusive citizenship
 - Objective 2: Decent employment through inclusive growth.

Additional matters

18. I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 214 to 216 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected objectives reported in paragraphs 13 to 17 of this report.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of objectives 2 and 3. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

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

Revenue management

24. The account officer did not establish systems, procedures and processes to ensure efficient and effective cash management, including collecting revenue when it is due, pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable are collected, and accurately forecasting the institution's cash flow requirements, as required by treasury regulation 15.10.1.1 and 15.10.1.2.

Procurement and contract management

25. Goods and services with a transaction value of between R2 000 and R500 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of treasury regulation 16A6.1 and the requirement of practice note 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA.

Internal control

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

Leadership

- 27. The CEO does not adequately review the monthly reports or the financial statements and management did not have sufficient monitoring controls to ensure the proper implementation of the overall process of planning indicators and targets on predetermined objectives to ensure achievement of planned performance.
- 28. The entity has an action plan to address prior year audit findings. However, sufficient time and action were not taken to monitor implementation thereof. As a result, repeat material findings, non-compliance issues and internal control deficiencies have been reported in the current year.

Financial and performance management

- 29. The entity did not prepare regular, accurate and complete financial statements that are supported by reliable evidence and aligned to the financial reporting framework. This resulted in misstatements in the annual financial statements and annual performance report.
- 30. Management did not ensure that staff members are adequately trained to apply proper procedures to facilitate sound record management.

Governance

31. Inadequate risk management processes to identify and monitor risks relating to the achievement of financial and performance reporting objectives

uditor General

31 July 2016

Pretoria



Auditing to build public confidence

6.5 ANNUAL FINANCIAL STATEMENTS

6.5.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

| | Note | 31-Mar-16 | 31-Mar-15 Restated |
|---|------|---------------|-----------------------|
| Revenue from exchange transactions | | | |
| Sale of goods and services | 1 | 52 404 193 | 47 831 628 |
| Cost of sales | 2 | (128 072 912) | (104 413 733) |
| Gross profit | | (75 668 718) | (56 582 106) |
| Other Revenue from exchange transactions | | | |
| Interest earned - external investments | 3.1 | 1 573 538 | 605 683 |
| Interest earned - outstanding receivables | 3.2 | 443 746 | 230 725 |
| Other income | 3.3 | 818 782 | 656 073 |
| Revenue from non-exchange transactions | | | |
| Transfers and sponsorships | 4 | 135 050 000 | 91 132 000 |
| Net Impairments | 5 | (453 400) | (4 150 332) |
| Operating expenses | 6 | (25 381 697) | (9 482 728) |
| Operating surplus | | 36 382 251 | 22 409 316 |
| Finance costs | 7 | (170 688) | (526 625) |
| Surplus for the year | | 36 211 563 | 21 882 691 |
| Total Comprehensive Income / (Loss) | - | 36 211 563 | 21 882 691 |

6.5.2 STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

| | Note | 31-Mar-16 | 31-Mar-15 Restated |
|--|------|-------------|-----------------------|
| ASSETS | | | Nestated |
| Non-current assets | | 5 561 901 | 7 091 307 |
| Property, plant and equipment | 8 | 5 561 901 | 7 091 307 |
| Current assets | | 209 162 186 | 53 800 907 |
| Inventories | 9 | 3 314 854 | 11 658 756 |
| Trade and other receivables | 10 | 15 314 590 | 30 732 824 |
| Cash and cash equivalents | 11 | 190 532 742 | 11 409 327 |
| Total Assets | _ | 214 724 087 | 60 892 214 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 84 645 386 | 45 916 972 |
| Retained earnings | | 84 645 386 | 45 916 972 |
| Total NET ASSETS | | 84 645 386 | 45 916 972 |
| Liabilities | | | |
| Non-current liabilities | | 63 373 | 266 747 |
| Non-current finance lease liability | 12 | 63 373 | 266 747 |
| Current liabilities | | 130 015 329 | 14 708 495 |
| Trade and other payables | 13 | 128 590 288 | 11 935 775 |
| Deferred income | 14 | 1 239 622 | 1 239 622 |
| Current portion of finance lease liability | 12 | 185 419 | 1 533 098 |
| Total Liabilities | _ | 130 078 701 | 14 975 242 |
| Total Equity and Liabilities | _ | 214 724 087 | 60 892 214 |

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

| | Retained earnings | Total equity |
|--|-------------------|--------------|
| | R | R |
| Balance at 1 April 2014 | 24 034 281 | 24 034 281 |
| Total comprehensive income/(loss) for the year | 21 882 691 | 21 882 691 |
| Balance at 31 March 2015 | 45 916 972 | 45 916 972 |
| Prior period adjustments | 2 516 851 | 2 516 851 |
| Restated balance at 31 March 2015 | 48 433 823 | 48 433 823 |
| Total comprehensive income/(loss) for the year | 36 211 563 | 36 211 563 |
| Balance at 31 March 2016 | 84 645 386 | 84 645 386 |

6.5.4 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2016

| | Note | 31-Mar-16 R | 31-Mar-15 R Restated |
|--|------|----------------|----------------------------|
| Cash flow from operating activities | | | |
| Cash receipts from customers | | 318 736 491 | 108 045 802 |
| Cash paid to suppliers and employees | | (137 948 136) | (97 238 652) |
| Cash generated from operations | 15 | 180 788 355 | 10 807 150 |
| Interest income | | 1 573 538 | 605 683 |
| Finance costs | | (170 688) | (526 625) |
| Net cash flows from operating activities | - | 182 191 205 | 10 886 208 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 8 | (1 474 501) | (493 335) |
| Proceeds on disposal of property, plant and equipment | | (4 721) | 44 888 |
| Net cash flows from investing activities | - | (1 479 222) | (448 447) |
| Cash flows from financing activities | | | |
| Leases | | (1 588 568) | (1 480 447) |
| Net increase / (decrease) in cash and cash equivalents | - | 179 123 415 | 8 957 314 |
| Cash and cash equivalents at beginning of the year | | 11 409 327 | 2 452 013 |
| Cash and cash equivalents at end of the year | 11 | 190 532 742 | 11 409 327 |

6.5.5 ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP), including the interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

The principal accounting policies, applied in the preparation of these Annual Financial Statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements.

2. PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand which is the functional currency of the entity and have been rounded off to the nearest thousand.

3. GOING CONCERN ASSUMPTION

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

4. COMPARATIVE INFORMATION

4.1. CURRENT YEAR COMPARATIVES (BUDGET)

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these annual financial statements.

4.2. PRIOR YEAR COMPARATIVES

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and /or restatement is not required by the standard of GRAP.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

5. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT **NOT YET EFFECTIVE**

The following standards of GRAP have been issued by the Accounting Standards Board but have not been given an effective date by the Minister. The entity has not early adopted these standards but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

- 1. GRAP 20 Related Party Disclosures
- 2. GRAP 32 Service Concession Arrangements: Grantor
- 3. GRAP 108 Statutory Receivables
- 4. GRAP 109 Accounting Principals and Agents

6. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgments, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

6.1. JUDGMENTS

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

6.2. ESTIMATES

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

In the process of applying the entity's accounting policies the following estimates, were made:

6.2.1. Provisions

Provisions are recognised in the statement of financial position when:

- SEE has a present legal obligation as a result of a past event and
- it is probable that an outflow of economic benefits will be required to settle the obligation

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate which reflects current market assessments of the time value of money and where appropriate, the risk specific to the liability.

6.2.2. Depreciation

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

The estimated useful lives are:

Asset class Years Plant and Machinery 10 - 15 Office Furniture & Fittings 12 - 15 Computer Equipment 3 - 5 Appliances 5-8 Office equipment 8 - 10 Leased Assets 3 - 5

6.2.3. Effective interest rate

The entity uses an appropriate interest rate, taking into account guidance provided in the standards, and applying professional judgment to the specific circumstances, to discount future cash flows. The entity used the following in arriving at the effective interest rate used:

| No Inputs related to the consideration | Consideration |
|--|------------------------------------|
| 1 Prime rate of lending | Base rate used as a starting point |

6.2.4. Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorization of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilization of estimates, assumptions and management judgments. In determining this allowance the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

6.2.5. Impairments of assets

The carrying amounts of SEE's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there Is any indication that an asset may be impaired; its recoverable service amount is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the asset's remaining service potential.

This is determined using the depreciated replacement cost method. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

7. FINANCIAL INSTRUMENTS

7.1. INITIAL RECOGNITION AND MEASUREMENT

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

Financial assets are derecognised if the entity's contractual rights to the cash flows from the financial assets expire or if SEE transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Authority's obligations specified in the contract expire or are discharged or cancelled.

7.2. GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT

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

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

7.3. OFFSETTING

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

7.4. CASH AND CASH EQUIVALENTS

Cash consists of balances on current and call account and cash on hand with the banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at reporting date. The entity categorises cash and cash equivalents as financial assets: loans and receivables.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

7.5. TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

7.6. TRADE AND OTHER PAYABLES

Trade payables consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost which is initial carrying amounts, less repayments, plus interest. .

8. INVENTORIES

8.1. INITIAL RECOGNITION AND MEASUREMENT

Inventories consist of raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. The cost of manufactured inventory includes the cost of labour, materials and overheads used during the manufacturing process excluding discounts received.

8.2. SUBSEQUENT MEASUREMENT

The carrying amount of inventories is recognised as an expense (where as direct cost are released to cost of sales) in the period in which the related revenue is recognised, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial yearend.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs. Discount received are recognised as a reduction to the cost of raw materials purchased.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

9. PROPERTY, PLANT AND EQUIPMENT

9.1. INITIAL RECOGNITION AND MEASUREMENT

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

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives.

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

9.2. SUBSEQUENT MEASUREMENT AND DEPRECIATION

Property, plant and equipment's are subsequently carried at cost less accumulated depreciation and impairments. The cost of an asset is depreciated over the estimated useful life.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

9.3. DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

10. EMPLOYEE BENEFITS

10.1. SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for nonaccumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

10.2. DEFINED CONTRIBUTION PLANS

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

10.3. DEFINED BENEFIT PLANS

Pursuant to the entity's obligation to fund the post-employment benefits provided through a defined benefit plan, the entity recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value assets held to finance those benefits, the entity recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the entity recognises as defined benefit asset. Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the entity nor can they be paid directly to the entity.

Plan assets included in the defined benefit plan asset or liability recognised are measured at their fair values. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of any defined benefit asset recognised is limited to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The plan liabilities are measured at the present value of the future benefits payable. This present value of the plan liabilities is determined through actuarial valuation techniques.

The entity operates one defined benefit pension plans, all of which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan, using the projected unit credit method.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

11. LEASES

11.1. THE ENTITY AS LESSEE

11.1.1. Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. The aggregate benefit of incentives of operating lease is recognised as a reduction of rental expense on a straight-line basis over the term of the relevant lease.

12. REVENUE

12.1. REVENUE FROM EXCHANGE TRANSACTIONS

Revenue comprise of sale of manufactured furniture, metal products, textile and canteen items. Whereas services rendered comprise of bookbinding and other services. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, VAT and other similar allowances.

Sale of manufactured items:

Revenue from the sale of goods is recognised when substantially all the risks and rewards of ownership of the goods have passed to the consumer.

Revenue from rendering bookbinding, textile and other services: Revenue is recognised when the service has been rendered and they become due and payable.

12.1.1. FINANCE INCOME

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the entity

12.2. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Any Government or International donor grant is initially recognised in the statement of financial position as deferred revenue when there is reasonable assurance that the conditions attached to it will be complied with and that the grant will be received

12.2.1. Subsequent to initial recognition:

- Grants for the purpose of giving immediate financial support with no future related costs are recognised in the statement of financial performance in the period in which they become receivable
- Grants that compensate the entity for expenses or losses incurred are recognised as revenue in the statement of financial performance on a systematic basis in the same periods in which the expenses or losses are incurred.
- · Grants received that carry any restrictions or conditions as to the use thereof are held in a deferred revenue account until such

time as the conditions or stipulations related thereto have been fulfilled or a repayment has been made. Effectively each grant is assessed to determine if any liability exists and if so, the grant is recorded as deferred revenue until such time as there is no longer any liability by the entity that relates to that grant.

The entity receives a grant from the Department of Labour (Controlling Entity) to subsidise operating expenses no conditional or international grants were received in the current year. All grants received were recognised in the statements of financial performance at the fair value of the amount received upon receipt of the grant.

13. GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT

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

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

14. COMMITMENT, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

SEE does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

15. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17. RECOVERY OF IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

The recovery of irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of unauthorized, irregular, fruitless and wasteful expenditure is treated as other income.

18. RELATED PARTIES

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

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

| | | 2016 | 2015 |
|-----|---|-------------|---------------|
| | | R | R Restated |
| 1. | Revenue from exchange transactions | | |
| | Revenue from sale of goods | 48 973 356 | 46 007 347 |
| | Revenue from services rendered | 3 430 837 | 1 824 281 |
| | | 52 404 193 | 47 831 628 |
| 2. | Cost of Inventory | | |
| | Raw Material Purchases | 39 640 679 | 46 830 048 |
| | Cost of sales of finished goods | 42 214 628 | 39 560 842 |
| | Cost of sales | 36 318 515 | 32 739 264 |
| | Opening inventory | 12 187 396 | 19 008 974 |
| | Closing inventory | (6 291 283) | (12 187 396) |
| | Raw Materials write-down to net realisable value | 2 021 721 | 155 478 |
| | Reversal of inventory write-down | - | - |
| | Under-recovery of fixed production overhead costs | 44 195 884 | 17 867 365 |
| | Abnormal Spillage of raw material | - | - |
| | Inventory stolen | - | - |
| | Total Cost of Inventory | 128 072 912 | 104 413 733 |
| 3.1 | Interest earned - external investments | | |
| | Bank | 1 573 538 | 605 683 |
| | | 1 573 538 | 605 683 |
| 3.2 | Interest earned - outstanding receivables | | |
| | Interest earned on outstanding Debtors | 443 746 | 230 725 |
| | Interest due to fair value adjustment on debtors | | |
| | | 443 746 | 230 725 |
| 3.3 | Other Income from exchange transactions | | |
| | Deferred revenue recognised 14. | - | - |
| | Commission received | 37 370 | 32 452 |
| | Canteens Revenue | 484 327 | 362 858 |
| | Discounts Received | 297 086 | 260 763 |
| | | 818 782 | 656 073 |

| | | 2016 | 2015 |
|----|---|-------------|-------------|
| | | R | R |
| | | | Restated |
| 4. | Revenue from non-exchange transactions | | |
| | Department of Labour Transfer | 135 050 000 | 91 132 000 |
| | | 135 050 000 | 91 132 000 |
| 5. | Net Impairments | | |
| | Impairment on trade and other receivables | 1 568 321 | (3 994 854) |
| | Write down of inventory to net realisable value | (2 021 721) | (155 478) |
| | | (453 400) | (4 150 332) |

Management assess at each reporting date whether there is any indication that trade and other receivables may be impaired. In determining the recoverability of a trade receivable, the entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large.

"Inventories are usually written down to net realisable value on an item by item basis. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of the future economic benefits or service potential expected to be realised from their sale, exchange, distribution or use. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise."

6. **Operating expenses**

6.1

| Advertising | (434 514) | (144 007) |
|---|--------------|--------------|
| Auditor's remuneration 6.1 | (1 326 161) | (1 377 943) |
| Bank Charges | (185 408) | (157 831) |
| Professional fees | (584 397) | (1 241 378) |
| Depreciation on property, plant and equipment | (2 995 409) | (3 006 583) |
| Employee costs | (94 443 123) | (52 535 557) |
| Transfer to Cost of Sales | 84 154 224 | 57 249 463 |
| Entertainment | (25 212) | (59 648) |
| Loss on disposal of assets | 4 721 | (44 888) |
| IT expenses | (947 303) | (1 040 544) |
| Printing and stationary | (518 320) | (400 370) |
| Repairs and maintenance | (2 220) | - |
| Security | (1 669 305) | (1 495 714) |
| Telephone and fax | (1 518 805) | (1 587 824) |
| Training | (45 877) | (107 073) |
| Transport and freight | (4 632 595) | (3 438 590) |
| Travel local | (211 993) | (94 241) |
| | (25 381 697) | (9 482 728) |
| Auditors remuneration | | |
| Fees | (1 326 161) | (1 377 943) |

| | | | | | | 0046 | | |
|------------|--|--|--|---|---|--|--|--|
| | | | | | | 2016 R | | 2015 R |
| 7. | Finance Costs | | | | | | | Restated |
| <i>,</i> . | | | | | | | | |
| | Interest charge on finance leases | | | | | (93 239) | | (217 531) |
| | Other interest paid | | | _ | | (77 449) | | (309 095) |
| | | | | = | | (170 688) | | (526 625) |
| | | | | | | 31-Mar-16 R | | 31-Mar-15 R |
| 3. | Property, plant and equipment | | | | | K | | , , |
| | Carrying amounts of: | | | | | | | |
| | Plant and machinery | | | | | 3 688 294 | | 4 685 332 |
| | Furniture and fixtures | | | | | 480 557 | | 535 689 |
| | Office equipment | | | | | 94 246 | | 106 601 |
| | Computer equipment | | | | | 1 039 590 | | 225 279 |
| | Appliances | | | | | 46 401 | | 33 240 |
| | Leased assets | | | | | 212 812 | | 1 505 166 |
| | | | | | | 5 561 901 | | 7 091 307 |
| | | | | | | | | |
| | | Plant and machinery | Furniture and Fittings R | Office equipment R | Computer equipment R | Appliances R | Leased assets R | Total R |
| | Cost / Valuation | machinery | and Fittings | equipment | equipment | | assets | |
| | Cost / Valuation Balance at 31 March 2014 | machinery | and Fittings | equipment | equipment | | assets | |
| | - | machinery R | and Fittings R | equipment R | equipment R | R | assets R | 25 163 533 |
| | Balance at 31 March 2014 | machinery R 16 413 307 | and Fittings R 1 887 100 | equipment R | equipment R 1 621 706 | 159 562 | assets R 4 630 477 | 25 163 533 |
| | Balance at 31 March 2014 Additions | machinery R 16 413 307 359 609 | and Fittings R 1 887 100 15 361 | equipment R 451 381 | equipment R 1 621 706 111 974 | 159 562 6 391 | 4 630 477 239 375 | 25 163 533 732 710 |
| | Balance at 31 March 2014 Additions Disposals | machinery R 16 413 307 359 609 -141 207 | and Fittings R 1 887 100 15 361 -650 | 451 381 -135 | equipment R 1 621 706 111 974 -13 329 | 159 562 6 391 -100 | 4 630 477 239 375 -26 771 | 25 163 533 732 710 -182 192 25 714 051 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 | machinery R 16 413 307 359 609 -141 207 16 631 709 | 1 887 100 15 361 -650 1 901 811 | 451 381 135 451 246 | equipment R 1 621 706 111 974 -13 329 1 720 351 | 159 562 6 391 -100 165 853 | 4 630 477 239 375 -26 771 4 843 081 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 | 1887 100 15 361 -650 1901 811 114 106 | 451 381 135 451 246 120 481 | equipment R 1621 706 111 974 -13 329 1720 351 1 136 017 | 159 562 6 391 -100 165 853 31 985 | 4 630 477 239 375 -26 771 4 843 081 37 515 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 | and Fittings R 1 887 100 15 361 -650 1 901 811 114 106 -9 912 | equipment R 451 381 - -135 451 246 120 481 -12 448 | equipment R 1621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 | R 159 562 6 391 -100 165 853 31 985 -250 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 | and Fittings R 1 887 100 15 361 -650 1 901 811 114 106 -9 912 | equipment R 451 381 - -135 451 246 120 481 -12 448 | equipment R 1621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 | R 159 562 6 391 -100 165 853 31 985 -250 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 26 605 466 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 Accumulated depreciation | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 16 376 717 | and Fittings R 1 887 100 15 361 -650 1 901 811 114 106 -9 912 2 006 005 | equipment R 451 381135 451 246 120 48112 448 559 279 | equipment R 1621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 2 686 431 | 159 562 6 391 -100 165 853 31 985 -250 197 588 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 4 779 446 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 26 605 466 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 Accumulated depreciation Balance at 31 March 2014 | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 16 376 717 | 1 887 100 15 361 -650 1 901 811 114 106 -9 912 2 006 005 | equipment R 451 381135 451 246 120 48112 448 559 279 301 850 | equipment R 1 621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 2 686 431 | 159 562 6 391 -100 165 853 31 985 -250 197 588 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 4 779 446 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 26 605 466 15 661 868 -45 706 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 Accumulated depreciation Balance at 31 March 2014 Eliminated on disposal of assets | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 16 376 717 10 817 058 -9 119 | 1 887 100 15 361 -650 1 901 811 114 106 -9 912 2 006 005 1 162 894 -461 | equipment R 451 381135 451 246 120 481 -12 448 559 279 301 850 -70 | equipment R 1 621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 2 686 431 1 369 435 -9 208 | 159 562 6 391 -100 165 853 31 985 -250 197 588 115 118 -76 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 4 779 446 1 895 513 -26 771 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 26 605 466 15 661 868 -45 706 3 006 583 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 Accumulated depreciation Balance at 31 March 2014 Eliminated on disposal of assets Depreciation expense | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 16 376 717 10 817 058 -9 119 1 138 437 | 1887 100 15 361 -650 1901 811 114 106 -9 912 2 006 005 1 162 894 -461 203 689 | equipment R 451 381135 451 246 120 48112 448 559 279 301 85070 42 866 | equipment R 1 621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 2 686 431 1 369 435 -9 208 134 846 | 159 562 6 391 -100 165 853 31 985 -250 197 588 115 118 -76 17 572 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 4 779 446 1 895 513 -26 771 1 469 173 | 25 163 533 732 710 -182 192 25 714 051 1 512 016 -620 600 26 605 466 15 661 868 -45 706 3 006 583 18 622 745 |
| | Balance at 31 March 2014 Additions Disposals Balance at 31 March 2015 Additions Disposals Balance at 31 March 2016 Accumulated depreciation Balance at 31 March 2014 Eliminated on disposal of assets Depreciation expense Balance at 31 March 2015 | machinery R 16 413 307 359 609 -141 207 16 631 709 71 911 -326 904 16 376 717 10 817 058 -9 119 1 138 437 11 946 376 | 1 887 100 15 361 -650 1 901 811 114 106 -9 912 2 006 005 1 162 894 -461 203 689 1 366 122 | equipment R 451 381135 451 246 120 48112 448 559 279 301 85070 42 866 344 646 | equipment R 1 621 706 111 974 -13 329 1 720 351 1 136 017 -169 937 2 686 431 1 369 435 -9 208 134 846 1 495 073 | 159 562 6 391 -100 165 853 31 985 -250 197 588 115 118 -76 17 572 132 614 | 4 630 477 239 375 -26 771 4 843 081 37 515 -101 149 4 779 446 1 895 513 -26 771 1 469 173 3 337 914 | 25 163 533 732 710 -182 192 |

| | | 2016 | 2015 |
|----|---|-------------|------------|
| | | R | R |
| | | | Restated |
| 9. | Inventories | | |
| | Raw materials and components | 3 524 198 | 9 896 175 |
| | Work in progress | 641 827 | 425 027 |
| | Finished goods | 2 125 258 | 1 866 193 |
| | | 6 291 283 | 12 187 396 |
| | Inventory write downs to net realizable value | (2 976 429) | (528 640) |
| | Value of inventory carried at fair value less costs to sell | 3 314 854 | 11 658 756 |

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

10. Trade and other receivables

| Trade receivables | | 22 794 845 | 39 510 814 |
|--|------|-------------|-------------|
| Provision for doubtful debts | 10.2 | (7 481 701) | (9 050 022) |
| Age of receivables that are due but not impaired | 10.1 | 15 313 144 | 30 460 792 |
| VAT receivable | | - | - |
| Sundry debtors | | 246 | 272 032 |
| Deposits Paid | | 1 200 | - |
| | | 15 314 590 | 30 732 824 |

Trade receivables which are less than three months past due date are not considered to be impaired. At 31 March 2016, R19 347 177 (2015 - R80 460 792) was past due but not impaired. Trade receivables which have not been impaired are considered collectable.

10.1 Age of receivables that are due but not impaired

| | 15 313 144 | 30 460 792 |
|-----------------------|------------|------------|
| Greater than 120 days | 9 546 690 | 25 080 792 |
| 91 - 120 Days | 1 292 879 | 1 122 000 |
| 61 - 90 Days | 575 373 | 254 000 |
| 31 - 60 Days | 918 940 | 389 000 |
| Current (0 – 30 days) | 2 979 261 | 3 615 000 |

| | | 2016 | 2015 |
|-------|--|--|--|
| | | R | F Restated |
| 0.2 | Age of impaired trade receivables | | |
| | Greater than 120 days 10.2.1 | 7 481 701 | 9 050 022 |
| | | 7 481 701 | 9 050 022 |
| | The maximum exposure to credit risk at the reporting date is the fair values not hold any collateral as security. | alue of each class of receivable mentione | ed above. The entity |
| 0.2.1 | Reconciliation of the doubtful debt provision | | |
| | Balance at beginning of the year | 9 050 022 | 5 056 468 |
| | Contributions to provisions | 7 481 701 | 3 993 554 |
| | Amounts written off during the year as uncollectible | - | |
| | Reversal of provision | (9 050 022) | |
| | Increase/Decrease in provision | - | |
| | Balance at end of the year | 7 481 701 | 9 050 022 |
| 4 | from the date credit was initially granted up to the end of the reporting the fact that the customer base is large. | g period. The concentration of credit risk | is limited due to |
| l1. | Cash and cash equivalents | | |
| | Bank balances | 190 509 742 | 11 386 327 |
| | Cash on hand | 23 000 | 23 000 |
| | | 190 532 742 | 11 409 32 |
| | | | |
| 1.1 | Significant cash and cash equivalent balances held by the entity that are not available for use by the entity. | | |
| 1.1 | that are not available for use by the entity. The entity holds the amount in its call account which relates to | | |
| 1.1 | that are not available for use by the entity. | 1 239 622 | 1 239 622 |
| 1.1 | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for | 1 239 622 | 1 239 622 |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for | 1 239 622 | 1 239 622 |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. | terms of finance leases. The entity does on the term is between 3 and 5 years and the a | not have the option average effective |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease | terms of finance leases. The entity does on the term is between 3 and 5 years and the a | not have the option average effective |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease borrowing rate is 9%. Interest rates are linked to prime at the contract of the lease. | terms of finance leases. The entity does on the term is between 3 and 5 years and the a | not have the option average effective |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease borrowing rate is 9%. Interest rates are linked to prime at the contract of the contract of the lease. | terms of finance leases. The entity does on the term is between 3 and 5 years and the a | not have the option average effective ts. |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease borrowing rate is 9%. Interest rates are linked to prime at the contract of Amounts payable under finance leases: Finance lease liability - Minimum lease payments | terms of finance leases. The entity does of term is between 3 and 5 years and the address. All the leases have fixed repayment | not have the option everage effective ts. 1 625 499 |
| 1.1 | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease borrowing rate is 9%. Interest rates are linked to prime at the contract of the lease liability - Minimum lease payments No later than 1 year and no later than 5 years | terms of finance leases. The entity does of term is between 3 and 5 years and the addate. All the leases have fixed repayment | not have the option everage effective ts. 1 625 499 |
| | that are not available for use by the entity. The entity holds the amount in its call account which relates to certain conditional grants from the Department of Labour for which the conditions of recognition have not yet been met. Finance lease liability The entity leases certain of its office equipment and motor vehicles in to acquire the assets at the termination of the lease. The average lease borrowing rate is 9%. Interest rates are linked to prime at the contract of the Amounts payable under finance leases: Finance lease liability - Minimum lease payments No later than 1 year | terms of finance leases. The entity does of term is between 3 and 5 years and the addate. All the leases have fixed repayment | average effective |

| | | | 2016 | 2015 |
|-----|---|------|-------------|---------------|
| | | | R | R Restated |
| | Present Value of Minimum Lease Obligations: | | | nestateu |
| | No later than 1 year | | 185 419 | 1 533 098 |
| | Later than 1 year and no later than 5 years | | 63 373 | 266 747 |
| | Later than 5 years | | - | - |
| | | | 248 791 | 1 799 845 |
| 13. | Trade and other payables | | | |
| | Trade payables | | 2 404 007 | 4 182 971 |
| | Accruals | | 5 699 830 | 1 807 727 |
| | Income received in advance | | 117 209 863 | 3 884 779 |
| | VAT payable | | 537 922 | 52 877 |
| | Accrued leave pay | 13.1 | 739 839 | 692 489 |
| | Provision for long service allowance | 13.2 | 1 875 717 | 935 355 |
| | Stabilisation fund | 13.3 | 106 541 | 106 541 |
| | Outstanding cheques | | 16 569 | 273 037 |
| | | | 128 590 288 | 11 935 775 |

13.1 Accrued Leave Pay

The accrued leave pay is reviewed at year - end and adjusted to reflect the current best estimates

13.2 Provision for long service allowance

The provision for long service allowance is reviewed at year-end and adjusted to reflect the current best estimates

Provision for long service allowance is calculated at One Rand (R1,00) for very week worked. Accumulated long service is only payable on retirement or resignation

13.3 Stabilisation Fund

During 2010, SEE received a refund of R3,210,268 from the Civil Pensions Stabilization Account (CPSA) for Stabilisation Fund contributions collected from Temporary Employees Pension Fund members after 1 July 1999 plus interest. The employer contribution (R2,407,700) was surrendered to the Revenue Fund and the employee contribution part (R802,568) had to be refunded to the members. The full amount of employee contributions could not be refunded to all the members due to the fact that some of the old members could not be traced. The outstanding amount of R 106 541 is accounted for in the Stabilisation Fund account of SEE.

14. Deferred income

| | | | Restated |
|---|---|-----------|-----------|
| Balance at beginning of the year | | 1 239 622 | 1 239 622 |
| Conditions met and recognised as revenue | 2 | | |
| Balance at end of the year | | 1 239 622 | 1 239 622 |
| Balance at end of year relates to the following projects: | | | |
| Business case project | | 111 325 | 111 325 |
| Other special projects | | 1 128 297 | 1 128 297 |
| | | 1 239 622 | 1 239 622 |

| | | 2016 | 2015 |
|-----|--|-------------|---------------|
| | | R | R Restated |
| 15. | Cash generated from operations | | nestated |
| | (Loss) / profit for the year | 36 211 563 | 21 882 691 |
| | Adjustments for: | 4 160 143 | 3 029 282 |
| | Depreciation on property, plant and equipment 4.2 | 2 995 409 | 3 006 583 |
| | Interest income | (1 573 538) | (605 683) |
| | Finance costs | 170 688 | 526 625 |
| | Write down of inventory expense | 2 021 721 | 155 478 |
| | Impairment on trade and other receivables | 1 568 321 | (3 994 854) |
| | Finance lease instalments | (1 588 568) | (1 480 447) |
| | Prior period error on sales | 561 389 | 5 466 468 |
| | Loss on disposal of assets | 4 721 | (44 888) |
| | Recovery of depreciation | - | - |
| | Operating surplus before working capital changes: | 140 416 649 | (14 104 823) |
| | (Increase)/decrease in inventories | 8 343 902 | 7 350 218 |
| | (Increase)/decrease in trade and other receivables | 15 418 234 | (7 608 826) |
| | (Increase)/decrease in prepayments | - | - |
| | Increase/(decrease) in trade and other payables | 116 654 513 | (13 846 215) |
| | Increase/(decrease) in deferred income | | |
| | | 180 788 355 | 10 807 150 |
| | | | |
| 16. | Defined contribution plan | | |
| | Included in employee costs are the following: | | Restated |
| | | 22.005 | 35.060 |
| | Pension fund | 22 085 | 25 960 |
| | Provident fund | 4 043 964 | 3 211 085 |
| | | 4 066 049 | 3 237 046 |

The SEE started participating in the Textile Industry Provident Fund with effect from 01 November 2009. The employer contributes 9% of salary on behalf of each employee and the employees contribute 7%.

Only one employee, Ms L Scheepers is contributing to the Temporary Pension Fund. The employer is contributing 2,74834% and the employee contributes 5%.

| 2016 | 2015 |
|------|----------|
| R | R |
| | Restated |

17. **RELATED PARTIES**

All transactions below were made in terms of equivalent to those in arm's length transactions unless stated otherwise.

17.1 Related Party Relationships

SEE is an entity controlled by the Department of Labour, the Accounting Officer of SEE is the Director-General of the Department of Labour. The Department of Labour has control and significant influence on the operations of SEE as defined in IPSAS 20: Related **Parties**

Controlling Entity: Department of Labour

Entities with common control: Compensation Fund (CF)

> Commission for Conciliation, Mediation and Arbitration (CCMA) National Economic Development and Labour Council (DEDLAC) Productivity South Africa (PSA) Unemployment Insurance Fund (UIF)

The above listed entities are all related parties as they are under common control by the Department of Labour.

SEE is a related party to Key Management Personnel and close family members of Key Management Personnel

17.2 Related Party Transactions

| | Sale of goods to Government Departments and entities | 46 792 555 | 43 990 546 |
|--------|--|-------------|-------------|
| | Sale of goods to SEE CEO | 528 | - |
| | Sale of goods to SEE CFO | - | - |
| | Sale of goods to SEE EMPLOYEES | 44 865 | 2,233 |
| | Transfers - Department of Labour subsidy | 135 050 000 | 91 132 000 |
| | | 181 887 948 | 135 124 780 |
| 17.3 | Related Party Balances | | |
| | Trade and Other Receivables: | | |
| | Department of labour | 1 032 934 | 504 190 |
| | Compensation fund | 116 578 | - |
| | Unemployment Insurance Fund | 2 805 821 | - |
| | | 3 955 333 | 504 190 |
| 17.4. | Key Management Information | | |
| 17.4.1 | Mr S Nondwangu - Chief Executive Officer | | Restated |
| | (Appointed 01 August 2013) | | |
| | Basic Salary | 713 899 | 691 706 |
| | Expenses allowances | 305 957 | 24 704 |
| | Performance award | - | |
| | | 1 019 855 | 716 410 |

| | | 2016 | 2015 |
|--------|---|-----------|---------------|
| | | R | R Restated |
| 17.4.2 | Mr S Ngcongo - Chief Financial Officer | | Nestated |
| | (Appointed January 2016) | | |
| | Basic Salary | 151 231 | - |
| | Expenses allowances | 32 551 | - |
| | Performance award | - | - |
| | | 183 782 | - |
| | | | |
| 17.4.3 | Ms Gladys Manamela - Director Operations | | |
| | (Appointed August 2015) | | |
| | Basic Salary | 431 624 | - |
| | Expenses allowances | 149 381 | - |
| | Performance award | | - |
| | | 581 005 | - |
| 17.4.4 | Ms Ella Ntshabele - Director : Governance and Assurance | | |
| | (Appointed September 2015) | | |
| | Basic Salary | 311 605 | - |
| | Expenses allowances | 167 228 | - |
| | Performance award | - | - |
| | | 478 834 | - |
| 17.4.5 | Ms Kefiloe Tselane - Director : HRM and Special Projects | | |
| | (Appointed October 2015) | | |
| | Basic Salary | 271 099 | - |
| | Expenses allowances | 117 768 | - |
| | Performance award | - | - |
| | | 388 867 | - |
| 17.5 | Services in Kind: Administrative Salaries : Department of Labour | | |
| | The Department of Labour seconded administrative staff to the SEE | 5 657 000 | 26 925 000 |
| | | | |
| 17.6 | Services in Kind: Internal audit - Department of Labour | | Restated |
| | The Department of Labour renders internal audit services to the SEE | 197 964 | 328 535 |
| 17.7 | Services in Kind: Premises - Department of Labour | | |
| -/./ | The Department of Labour pay lease rentals to the Department | | |
| | of Public Works on behalf of SEE | <u>-</u> | - |
| | | | |

| | | 2016 R | 2015 R Restated |
|------|---|--|------------------------------------|
| 17.8 | Services in Kind: Capital Expenditure - Department of Labour | | |
| | The Department of Labour incurred capital expenditure on behalf of Supported Employment Enterprises | 3 260 620 | 1 214 000.00 |
| 18. | Compensation to key management personnel: Compensation Fund | | |
| | The Compensation Fund paid salaries and wages for two key management personnel from 01 September 2015 on behalf of Supported Employment Enterprises | 867 701 | _ |
| 19. | Irregular expenditure | | |
| | Reconciliation of Irregular Expenditure: | | Restated |
| | Opening balance | 16 095 486 | 384 943 |
| | Irregular Expenditure current year | 1 719 881 | 16 086 543 |
| | Condoned or written off by accounting officer | (17 710 355) | (376 000) |
| | Transferred to receivables for recovery - not condoned | - | - |
| | Closing balance | 105 013 | 16 095 486 |
| | | | |
| | Irregular expenditure relates to expenditure incurred through procurement from sole supp procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle | ut requesting the numb | |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without | ut requesting the numb | er of quotes as |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle | ut requesting the numb | er of quotes as |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure | ut requesting the numb parance certificates. | er of quotes as Restated |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure Opening balance | ut requesting the numb parance certificates. 280 509 | er of quotes as Restated 902 000 |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure Opening balance Fruitless and wasteful expenditure – relating to current year 17.1 | ut requesting the numb parance certificates. 280 509 | Restated 902 000 |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure Opening balance Fruitless and wasteful expenditure – relating to current year 17.1 Fruitless and wasteful expenditure – relating to prior year 19.2 | ut requesting the numb parance certificates. 280 509 40 114 | Restated 902 000 280 509 |
| 20. | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure Opening balance Fruitless and wasteful expenditure – relating to current year 17.1 Fruitless and wasteful expenditure – relating to prior year 19.2 Less: Amounts condoned | 280 509 40 114 (280 509) | Restated 902 000 280 509 (902 000) |
| | procedures without accounting officer authorisation of this deviation, procurement without required by Treasury Regulations and procurement without acquiring the necessary tax cle Fruitless and Wasteful Expenditure Opening balance Fruitless and wasteful expenditure – relating to current year 17.1 Fruitless and wasteful expenditure – relating to prior year 19.2 Less: Amounts condoned Fruitless and wasteful expenditure awaiting condonement | 280 509 40 114 (280 509) | Restated 902 000 280 509 (902 000) |

| | | 2016 R | 2015 R Restated |
|-----|---|------------------|-----------------------|
| 21. | Commitments | | |
| | SEE has the following contractual commitments that it has entered | | |
| | into for the coming financial years | | |
| | | | |
| | Purchase Orders (Suppliers) | 1 534 798 | 196 387 |
| | Contractual Commitments: | | |
| | Financial Lease Contracts | 248 791 | 1 911 205 |
| | Security Services | 121 558 | 2 232 000 |
| | | 1 905 147 | 4 339 592 |

The commitments are reviewed at year-end and adjusted to reflect the current best estimates.

22. PRIOR PERIOD ERROR

Based on the audit findings, prior year adjustments were made and 2014/15 AFS were restated The adjustments affected the following accounts:

22.1. A journal had to be posted, this resulted in an increase in Cost of Sales and a decrease in Inventory

Increase Cost of Sales 2 617 460 **Decrease Inventory** 2 617 460

Adjusting understatement of Cost of sales after a thorough review of the audit finding. Whilst reviewing the costing of overheads AGSA noted that the labour recovery rate used by SEE is incorrect. The formula used by management was: (Total fixed cost and other cost/100/number of minutes) however AGSA identified the correct formula as follows: (Employee gross wages/ number of available hours per month / 60).

This had an impact on the amounts disclosed on the financial statements for inventory, cost of sales and employee costs. These amounts had been incorrectly included in employee costs and not costed to the cost of sales and inventory amounts. The journal was posted to allocate the Cost of Sales and Adjust Inventory balances

22.2. A journal had to be posted, this resulted in an increase in Cost of Sales and a decrease in Inventory

Increase Cost of Sales 285 446 **Decrease Inventory** 285 446

Adding Cost of Sales to Revenue raised in March 2015

AGSA made a finding on the transactions that the journal for the increase in cost of sales and related decrease in inventory was not raised for goods which were sold during the financial year. This had a significant impact on the cost of sales and inventory line items on the financial statements.

A journal was posted to adjust the Cost of Sales and Inventory to be consistent to the sale transaction

23 FINANCIAL INSTRUMENTS

23.1 Classification

23.1.1 Financial assets

In accordance with GRAP 104 the Financial Assets of the entity are classified as follows:

| <u>Financial Assets</u> | Classification | | |
|--|-----------------------|-------------|------------|
| Receivables | | | |
| Trade receivables | Loans and receivables | | |
| VAT receivable | Loans and receivables | | |
| Sundry debtors | Loans and receivables | | |
| Bank, Cash and Cash Equivalents | | | |
| Bank Balances | Held for trading | | |
| Summary of financial assets | | | |
| Receivables | | | |
| Trade receivables (incl doubtful debt provision) | Loans and receivables | 15 313 144 | 30 460 792 |
| VAT receivable | Loans and receivables | - | - |
| Sundry debtors | Loans and receivables | 246 | 272 032 |
| | | 15 313 390 | 30 732 824 |
| | | | |
| Held for trading | | | |
| Bank Balances and Cash | Bank Balances | 190 532 742 | 11 409 327 |
| | | 190 532 742 | 11 409 327 |
| Total Financial Assets | | 205 846 132 | 42 142 151 |
| | | | |

23.1.2 Financial liabilities

In accordance with GRAP 104 the Financial Liabilities of the entity are classified as follows:

| Financial Liabilities | Classification | | |
|--|--|-------------|------------|
| Long-term Liabilities | | | |
| Non-current finance lease liability | Financial liabilities at amortised cost | | |
| Creditors | | | |
| Trade payables | Financial liabilities at amortised cost | | |
| Accruals | Financial liabilities at amortised cost | | |
| Income received in advance | Financial liabilities at amortised cost | | |
| VAT payable | Financial liabilities at amortised cost | | |
| Accrued leave pay | Financial liabilities at amortised cost | | |
| Stabilisation fund | Financial liabilities at amortised cost | | |
| Unreconciled receipts | Financial liabilities at amortised cost | | |
| Outstanding cheques | Financial liabilities at amortised cost | | |
| Current Portion of Long-term Liabilities | | | |
| Current portion of finance lease liability | Financial liabilities at amortised cost | | |
| Summary of financial liabilities | | | |
| Financial Liabilities at Amortised Cost | | | |
| Long-term Liabilities | Non-current finance lease liability | 63 373 | 266 747 |
| Current Portion of Long-term Liabilities | Current portion of finance lease liability | 185 419 | 1 533 098 |
| Creditors | Trade payables | 2 404 007 | 4 182 971 |
| Creditors | Accruals | 5 699 830 | 1 807 727 |
| Creditors | Income received in advance | 117 209 863 | 3 884 779 |
| Creditors | VAT payable | 537 922 | 52 877 |
| Creditors | Accrued leave pay | 739 839 | 692 489 |
| Creditors | Accrued back pay | - | - |
| Creditors | Stabilisation fund | 106 541 | 106 541 |
| Creditors | Unreconciled receipts | - | - |
| Creditors | Outstanding cheques | 16 569 | 273 037 |
| Creditors | Unidentified deposits | -1 200 | - |
| | - - | 126 962 163 | 12 800 265 |
| Total Financial Liabilities | - | 126 962 163 | 12 800 265 |

23.2 Fair Value

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- The Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices
- The Fair Value of other Financial Assets and Financial Liabilities is determined in accordance with generally accepted valuation techniques based on discounted cash flow analysis using interest rates currently charged or paid by other parties and the remaining term to repayment of the interest
- The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of intrest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2012, as a result of the short-term maturity of these assets and liabilities.

| 31 March 2016 | Carrying Amount R | Fai Valu |
|--|-------------------------|-------------|
| Financial Assets | | |
| Loans and Receivables | | |
| Trade receivables (incl doubtful debt provision) | 15 313 390 | 15 313 39 |
| Held for trading | | |
| Bank Balances and Cash | 190 532 742 | 190 532 74 |
| Total Financial Assets | 205 846 132 | 205 846 13 |
| Financial liabilities | | |
| Financial Liabilities at Amortised Cost: | | |
| Long-term Liabilities | 63 373 | 63 37 |
| Current Portion of Long-term Liabilities | 185 419 | 185 41 |
| Creditors | 126 714 571 | 126 714 57 |
| Total Financial Liabilities | 126 963 363 | 126 963 36 |
| 31 March 2015 | Carrying | Fa |
| | Amount | Valu |
| Financial Assets | , R | |
| Loans and Receivables | | |
| Trade receivables (incl doubtful debt provision) | 30 732 824 | 30 732 82 |
| Held for trading | | |
| ricia for trading | | 44 400 00 |
| Bank Balances and Cash | 11 409 327 | 11 409 32 |

Financial liabilities

Financial Liabilities at Amortised Cost:

266 747 266 747 Long-term Liabilities Current Portion of Long-term Liabilities 1533098 1533098 Creditors 11 000 420 11 000 420 **Total Financial Liabilities** 12 800 265 12 800 265

Financial Risk Management Objectives 23.3

Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The entities finance department monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

23.4 **Significant Accounting Policies**

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

23.5 **Market Risk**

The entity's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

23.6 Interest Rate Risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. There was no change in the entity's interest rate risk management policy during the period.

All financial instruments attract interest at rates linked directly to the prime bank overdraft rate. The effective interest rate used by the entity is the prime interest rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of entity debtors management policy.

All trade receivables and other debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Interest Rate Sensitivity Analysis

As the entity has no significant interest risk exposure at financial year end, the effect of a 1% strengthening or weakening of the prime interest rate at reporting date is not considered material.

23.7 Liquidity risk

Sufficient cash is maintained to manage the entity's liquidity risk. Limitations are imposed by Treasury Regulations 32 to the Public Finance Management Act, 1999 (Act 1 of 1999) on borrowings, which limits the committed lines of credit available to entity.

23.8 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Trade debtors consist mainly of government departments of which surety vests in the National Treasury for any such debts owing. Other debtors comprise private sector trade debtors and staff debtors.

| | 2016 | 2015 |
|--|-------------|------------|
| | R | R |
| Maximum credit and interest risk exposure in respect of financial instruments is as follows: | | |
| Trade and other receivables | 15 313 390 | 30 732 824 |
| Bank balances and cash | 190 532 742 | 11 409 327 |
| Maximum Credit and Interest Risk Exposure | 205 846 132 | 42 142 151 |

24. **CAPITAL COMMITMENTS**

No capital commitments are recorded for the period

25. **EVENTS AFTER THE REPORTING PERIOD**

No events after reporting period

26. **CONTINGENT LIABILITIES**

There are no contingent liabilities

27. **CONTINGENT ASSETS**

There are no contingent assets

28. Statement of comparison of budget and actual amounts

| | | Approved Budget | Adjustments | Final budget | Actual amounts on comparable basis | Difference between final budget and actual | References |
|--------------------------|---|--------------------|------------------|------------------|------------------------------------|--|------------|
| Receipts | | | | - | | - | |
| Sale of good | s | 70 000 000 | | 70 000 000 | 52 404 193 | 17 595 807 | А |
| Other incom | ne | 1 576 955 | | 1 576 955 | 2 836 066 | -1 259 111 | В |
| Department | of Labour transfer | 84 929 000 | | 84 929 000 | 135 050 000 | -50 121 000 | С |
| Total Receip | ts | 156 505 955 | - | 156 505 955 | 190 290 259 | - | |
| Payments | | | | | | | |
| Employee co | osts | 70 461 865 | | 70 461 865 | 94 443 123 | -23 981 258 | D |
| Cost of sales | ; | 43 400 000 | | 43 400 000 | 128 072 912 | -84 672 912 | Е |
| Operating Ex | xpense | 26 884 341 | | 26 884 341 | -68 437 339 | 95 321 680 | F |
| Capital Expe | nditure | 14 467 135 | | 14 467 135 | 1 497 067 | 12 970 069 | G |
| Total Payme | ents | 155 213 341 | - | 155 213 341 | 155 575 763 | -13 332 490 | |
| Net Receipts/ (payments) | | 1 292 613 | - | 1 292 613 | 34 714 496 | -33 421 883 | |
| | | | | | | | |
| А | Anticipated orders | concluded and | placed after fir | nancial year end | 1 | | |
| В | Increase in cash and cash equivalent due to good cash management lead to high interest earned from the call account | | | | | | |
| С | Change in the ENE allocation, the balance of previously retained amount was transferred to the entity | | | | | | |
| D | Admin staff salaries and wages accounted for in the GL, change in accounting treatment | | | | | | |
| Е | Cost of sales increased due to absorption of full production cost | | | | | | |
| F | Operating expenditure incurred is less to budgeted due to increase cost containment controls introduced by management | | | | | | |

There was procurement of Computer Equipment, further Capex has been deferred to the new financial year

G



NOTES

ANNUAL REPORT OF THE DEPARTMENT OF LABOUR 2015/16





