



CCMA

COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

Annual Report 2013/14



18 Years of Delivering Social Justice

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Vision

To be the premier dispute management and dispute resolution organisation.

Mission

The purpose of the Commission for Conciliation, Mediation and Arbitration (CCMA) is to promote social justice and economic development in the world of work and to be the best dispute management and dispute resolution organisation trusted by our social partners.

Values

Respect	We value those we serve, those who we work with and our organisation.
Excellence	We continuously do our best in delivering on our mandate and in service to our people.
Accountability	We hold ourselves responsible for our actions and the outcomes of our work.
Diversity	We respect, embrace and celebrate the differences of our people.
Integrity	We do the right thing even when no one is looking.
Transparency	We work in a manner which is open.



New Commissioner Being Sworn in at the 2013 Commissioner's Indaba

Functional Purpose



CCMA Executive Committee 2013/2014

The CCMA's statutory functions, as set out in the Labour Relations Act (LRA) No 66 of 1995, are divided into those that are mandatory and those that are discretionary.

The CCMA's mandatory 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
- Consider accreditation and subsidy of bargaining councils and private agencies
- Provide support for the Essential Services Committee.

The CCMA's discretionary functions are to:

- Supervise ballots by unions and employer organisations
- Provide training and information relating to the primary objective of the LRA
- Advise parties to a dispute about the procedures to follow
- Offer to resolve a dispute that has not been referred to the CCMA
- Publish guidelines on any aspect of the LRA, and to make rules.

Message from the Governing Body Chairperson



Chairperson
Daniel Dube

The CCMA is a tripartite independent statutory body established in terms of section 112 of the Labour Relations Act. It consists of government, organised labour and organised business. Each constituency has three representatives serving on the Governing Body (GB). The GB is the decision making body and Accounting Authority of the institution. The GB employs the Director and commissioners as well as set their conditions of employment. According to the Public Finance Management Act the Director is the Accounting Officer of the institution.

The decisions of the GB are by consensus. The GB establishes committees to assist with governance and may contract agencies or persons to perform work or any function for the CCMA. The GB may not delegate functions related to the appointment or removal of the Director or commissioners, depositing and investment of funds, Accreditation and Subsidy of Bargaining Councils and Accreditation matters of Private Agencies.

The year 2013/2014 has been a very busy one for the CCMA. The Labour Law amendments meant that the institution had to make internal preparations as an employer and also provide training to parties in need of assistance. A dedicated team of senior members led this campaign ensuring that internal staff members are ready and know what is expected of them.

This is the fourth year of the Siyaphambili Strategy. This means the five-year strategy is coming to an end. The institution has proudly achieved overall performance of 3.69. Plans are under way to develop a new strategy. The recent happenings in the South African Labour Market have made it necessary for the CCMA to review its role. During 2012, the CCMA came to realise that the tensions between Business and Labour as well as inter union rivalries were demanding a new way of doing things. At strategy level, the feeling was that the mandatory as well as discretionary functions need to be revisited. There was a decision that the discretionary functions be ramped up.

There has been a few strategy sessions held. A number of options are being considered. The underlying drive is delivering to the broad mandate of the CCMA. There is need to make a shift in the strategic direction to deliver to both the mandatory and the discretionary function of the CCMA. A new element to add to the evaluation of the strategy and its effectiveness is under consideration. This is Public Value. The future strategy needs measure the impact on the broader South African society and how the institution is perceived. Discussions are still continuing. The GB is the custodian of the strategy.



**Chairperson of the CCMA Governing Body Mr Daniel Dube
at the 2013 Commissioner Indaba**

The CCMA remains committed to dispute prevention and dispute resolution. The case referral rate for 2013/2014 increased by 1%, from 679 to 680 cases per day and jurisdictional matters went up by 3%. The new offices of Vaal and Welkom have contributed to these figures. They were opened as part of making the services accessible to the needy. There has been a 2% increase in pre-conciliations heard.

The number of settlements increased by 23%. Con-arbs increased by 10% and events finalised in one event went up to 12%. Objections to Con-

arbs dropped by 13%. Conciliation has shown a positive performance. About 129 000 cases were scheduled and 0.07% fell outside the statutory 30 days. Conciliation cases heard and closed increased by 2% and cases settled increased by 10%. Overall, the number of cases settled went up by 9%. The final settlement rate is standing at 75%. About 17 493 arbitration awards were rendered, 11 were submitted late. Awards sent to parties have also reduced significantly. Heads of argument went down by 2% and section 143 certificates decreased by 4%.

The legal department is responsible for among others, dealing with litigation and contracts and compliance with regulations and policy. Assistance is given to commissioners on recent jurisprudential developments, the accreditation and monitoring of bargaining councils and private agencies. Four private agencies were accredited during the 2013/2014 reporting year. The CCMA provides support to the Essential Services Committee. The committee is headed by a Chairperson appointed by the Minister of Labour.

Education and training are ongoing. Existing commissioners have attended Persuasion Skills and Conciliation of Unfair Discrimination training. The Labour Dispute Resolution Practice Qualification has started. Feedback received indicates good progress. This will be expanded to other institutions that have shown preparedness to take up the qualification.

The CCMA is in the second-year of the three year Substantive and Wage Agreement. The relationship with the Commission Staff Association (CSA) is cordial.

The Annual Financial statements are prepared on a going concern principle, the relevant standards and policies as well as Treasury cost saving measures. The overview of the 2014 budget and medium term expenditure framework estimates are elaborated on by the Chief Financial Officer (CFO). The CCMA has received a clean audit from the Auditor-General.

The international role played by the CCMA in the region as well as at the International Labour Organisation (ILO) level is continuing. The CCMA participated in the compilation of the ILO's Labour Dispute Systems book. The CCMA is continuing to assist Southern African Development Community (SADC) countries when asked to do so.

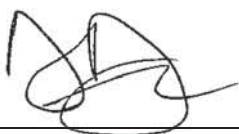
The CCMA once more faced many challenges during this year. Labour, Business and Government were all searching for solutions to the challenges they are faced with. It cannot be business as usual and delivering to the CCMA's broad mandate is the response.



New CCMA Governing Body Chairperson Mr Daniel Dube's Induction Ceremony

The support from the Honourable Minister of Labour is greatly appreciated. The budget as well as the moral support makes all the difference.

The credit for this success goes to the Director, Ms Nerine Kahn for leading the institution during these trying times. The members of the GB and their contributions relative to their areas of expertise are greatly appreciated. Mr. Monage has been the Acting Chairperson between 1 April 2013 until 31 September 2013, and responsible for keeping the fires burning.



Chairperson

Daniel Dube



CCMA Johannesburg Dispute Management and Prevention Team at the Workers' Day Rally in Sharpeville

Applying Labour Solutions to Socio-Economic Challenges is Not Sustainable

2013-2014 will feature as a history-making year in the narrative of South Africa with events that have altered the course of the country and will continue to shape the national trajectory in the longer term. Twenty years after democracy South Africa is experiencing increasing pressure from multiple fault lines across all spheres of society; socially, politically and economically. These deep-rooted challenges have culminated in ruptures in the labour market manifest in the longest ever national strike in the platinum sector. The roots of this defining strike can be found in inequality, poverty, politics, poor labour relations and the violence of Marikana.

Since 2012 the CCMA has been drawing attention to the increasing coalescence of workplace and community demands; for CCMA Commissioners this has meant mediating processes with demands ranging from wages and dignity of person to quality of living. In a country bedevilled by the triple curse of inequality, poverty and unemployment, citizens expectations of a social wage (public services) emanating from the social contract that underpinned the 1994 transition into democracy has not yet been realised leading to growing impatience in the streets and on the factory floors. This has compelled employees to seek higher wages in a “nothing to lose” paradigm. This is juxtaposed against employers still operating in a constrained economy with below expected growth in a “nothing to offer” position.

What started in the labour market in 2013 as a shift of membership has grown in 2014 to citizens beginning to engage with new social formations. These realignments in the structure and fabric of the South African society brings with it an increased militancy that has found expression in the labour market with this year being marked by continued violence, non-negotiable positions being set on all sides of labour disputes, an escalation of unprotected strikes and an increased length of strikes. Most concerning for the CCMA and other statutory institutions, is the emergence of a trend of intervention in the ongoing processes by well-meaning but mostly inexperienced interested external parties. The negotiation process is often challenging, rarely in a straight line and best not hurried if a sustainable agreement is to be secured. The CCMA sees first hand that the burden of strikes are born by employees and employers alike with families, communities and the national economy suffering long term damage and are therefore committed and dedicated to finding lasting solutions in a dynamic and fractious labour market.



Honourable Minister Susan Shabangu and
Honourable Minister Mildred Oliphant at CCMA Head Office
Platinum Sector Negotiations



The CCMA Facilitator Platinum
Sector Negotiations

While industrial action is a part of the collective bargaining process and is guaranteed under the constitution, the CCMA argues that adherence to inefficient bargaining process and in particular an over reliance on legal instruments is at the expense of -dispute prevention mechanisms. The dominance of dispute management within the labour market can be attributed to a number of underlying causes including the ineffective management of industrial relation, the absence of meaningful engagement, the breakdown of trust and the loss of confidence in the mechanisms of peace. Until Industrial relations is reset onto the strategic agenda with all parties acting considerably, carefully and with conscience the labour market will continue to be fractious.

The event of 2013-2014 have required of the CCMA to respond with dynamic flexibility and decisively and responsibly intervened in workplace and sector conflicts to prevent further escalation. The critical lessons that have been learnt during this historic year has lead the CCMA to increase support to our Social Partners in their efforts to strengthen collective bargaining and related systems of social dialogue. This year has confirmed the CCMA's strategic decision to place focus on dispute prevention while continuing to deliver service excellence in dispute management to advance workplace transformation through social justice.



**The Development Bank of South Africa Section 189A Process Facilitated by
Senior Commissioner Shawn Christiansen**

Directors Report



Director
Nerine Kahn

Despite the number of times that I have prepared my input for the annual report I am always grateful for the discipline of reflecting on the past year and looking forward to anticipate what the coming year may bring us.

No one can possibly doubt that the labour market environment has been exceptionally tough in the past year. The platinum sector events brought the longest lasting strike in South Africa's mining history and included unacceptable levels of intimidation. They also brought to the fore, to a level never before experienced, the importance of the role that social factors play when attempting to resolve what, at times, appeared to be a total impasse.

Although the National Unions of Metalworkers of South Africa (NUMSA) strike took place at the beginning of our new financial year, its relevance to the future role of the CCMA prompted me to include mention of it. These two major actions will influence the formulation of our strategy for the next five-year period, beginning in April 2016.

The labour market environment has become more complex and testing and the CCMA has to respond appropriately. As happened in the five-month platinum strike and other interventions in the past year, we are seeing two themes emerging. One is the blending of strikes with socio-economic factors and the other is the blurring of the role of the CCMA as a mediator and facilitator. Consequently, we are finding the need to address community disputes to try to resolve the broader wage disputes.

We have reached the point of evaluating and reviewing the organisation in the context of its broad mandate, as well as its role in the labour market. In the vision for the strategy to take us to 2020 we will need to embrace the challenges and learn to redefine our role in certain areas of the work that we do.

The CCMA reported a surplus for the year of R25,6 million, with expenditure at 3,1% below budget. The savings were mainly due to delays in the promulgation of labour law amendments resulting in the postponement of budgeted expenditure to the next financial year. Approval for this rollover has been granted by the National Treasury.

I am very proud to report that, for the fifth consecutive year, the CCMA received an unqualified audit report. The organisation continued to see improvement in the internal control environment and this resulted in a significant reduction in the number of internal and external findings. A tracking tool is used to follow up on the findings with the objective of ensuring that effective measures have been put in place to avoid recurrence.



Honourable Minister of Labour, Mildred Oliphant and CCMA Director Nerine Kahn with Commissioner Leon Levy at the Department of Labour Budget Vote

During the year, the Supply Chain Management unit put in place a number of processes and systems to improve delivery of its objectives. These were in the form of standard operating procedures, process workflows, a Supply Chain Procedure Manual and Supply Chain Policies.

While there are high profile disputes that have extensive media coverage, we must never overlook that our average daily case load for the last year was 680, of which about 85 percent comprised unfair dismissals. This has become a well-recognised, well-respected process and will continue to constitute our day-to-day bread and butter work, and it does, however, appear to be frequently overlooked. In our new strategy we will have to balance this work with the new factors that are appearing in the labour market. Eight years ago, people resisted bringing their wage disputes, once deadlocked, to the CCMA. Today, about 95% of these disputes are brought to us and this amounts to some 200 cases a month.

In the past year, of the 236 interventions that were matters of public interest, 82,1% were settled, and of the offers made for those, 97,5% agreed that the CCMA could intervene. We processed 3 793 matters of mutual interest last year and 68,6% of them were settled.

As a means of explaining our role in the high profile cases, we have continued to hold media briefings and provide fact sheets to explain processes where there may have been a general lack of understanding. When requested to do so, I have been talking to banks and analysts, a business sector that has not been previously addressed. This has helped them to appreciate the relevance of social issues and not only consider numbers.

The CCMA has been examining how to address and operationalise some of the broader mandate thinking. We have been implementing this by supporting other labour market institutions, such as our providing facilitators to National Economic Development and Labour Council (NEDLAC) to smooth negotiation processes. The organisation continued its work with Productivity South Africa (PSA) in the retrenchment processes, and also with the Department of Economic Development and the Department of Trade and Industry.

An ongoing challenge has been knowing when the labour law amendments would be promulgated so that we could prepare for their implementation. The planning for them required a re-evaluation of operations and extensive training of staff and commissioners.

While the majority of our energies and activities are based in South Africa, it is important to recognise that the CCMA has established a reputation as one of the world's foremost dispute resolution organisations. As such, we work closely with the International Labour Organisation (ILO) and it was my privilege to have been asked to prepare a manual on the setting up and operating of a dispute resolution organisation. I undertook training on the manual for ILO area managers from around the world.

The ILO was founded in 1919 on the premise that lasting peace can only be established if it is based on social justice. It became the United Nations' first specialised agency in 1946 and its tripartite structure, much like that of the CCMA, gives an equal voice to workers, employers and governments. Together with three commissioners, I attended the ILO's annual conference in Geneva in June 2013 and this provided valuable exposure to new thinking and ideas.

The CCMA has achieved a world first for its work in helping to improve the lives and working conditions of contract cleaners through facilitating a programme for the sector to guide it in establishing a Decent Work Agenda (this too has been a collaboration with the ILO).

The backbone of our 'customer-facing' staff, the CCMA's Commissioners, received 105 new reinforcements in the year under review and they are currently receiving training and mentoring. There were, amazingly, more than 1 300 applicants for these positions and this is such an encouraging sign of the value with which the CCMA is perceived in the labour marketplace. The process was eased through the introduction of computer-based, self-paced e-induction, which also applies to all other staff members.

The CCMA facilitated 515 large-scale retrenchments, a significant 38% increase in section 189A referrals compared with 377 in the previous year. These included the high profile Anglo American Platinum retrenchment consultations where some 14 000 jobs were at stake.

Forty two Training Layoff Scheme (TLS) applications were processed, involving 6 404 workers and 31 cases were recommended, involving 5 728 workers. The most significant TLS intervention was undoubtedly that of Mercedes-Benz SA and 10 service provider companies in the East London region, affecting 2 370 workers. Blockages with the processing of TLS applications at the post-CCMA stage unfortunately continued and increased in severity.



A detailed description of the CCMA's operations for the financial year under review is contained in the Accounting Authority's Report.

The CCMA successfully challenged the right for limited legal representation at CCMA hearings, in an application brought by the Law Society. This settled once and for all that there is a limited right to legal representation in arbitration processes.

The Governing Body approved a policy for the appointment of private agencies and called for submission of applications. This has resulted in the accreditation of four private agencies for a period of one year and we will be closely monitoring their effectiveness. These agencies will assist in coping with a case load that continues to grow.

After lengthy groundwork, the Dispute Resolution Practitioner Qualification for NQF levels 4, 5 and 6 has been adopted by the Nelson Mandela Metropolitan University and three other institutions. This will greatly assist in preparing people for the role of commissioner at the CCMA.

Ease of accessibility to the CCMA's services is continually reviewed and it received a boost last year through the opening of the Vaal and Welkom offices. Apart from our own 'bricks and mortar', we make use of hearing venues at the point of need by hiring appropriate facilities, and partnering with Department of Labour offices. There is little doubt that electronic access will grow over time and help extend our reach.

A review of the Research Department was undertaken and its capacity to better service the needs of the organisation will be addressed. We commissioned Professor Borat to establish the value that the CCMA adds to the economy through its retrenchment work. A good example being the jobs saved at Harmony's Kusasaletu Shaft through our work. The outcome of the research was that for every rand provided to the CCMA by the government, the economy benefited to the extent of R13.73 in the last financial year

On the issue of employment equity I was particularly proud that two Black women have been appointed to head regions, especially as both of them have developed through the ranks of the CCMA. In general, we are well on track to achieve our five-year employment equity targets. Furthermore, we ensure that staff and commissioners with disabilities are appropriately accommodated and supported.

A need was identified for coaching for senior staff members, especially for those in new roles, and an external supplier has provided executive coaching. In a further management development initiative, six convening senior commissioners completed a talent and succession programme, which included a week at the London School of Economics.

We continue to work closely with the Essential Services Committee and are hopeful that the labour law amendments will help clarify the committee's activities. I would like to thank the committee's chairman, Luvoyo Bono, for the positive manner in which he interacts with the CCMA.

Each year, I consider and reflect on the organisation and those who, in particular, have contributed most significantly to the CCMA's excellence as an organisation, and recognise their achievements with a Director's Award. Details of the three individual awards and one team award appear in the Special Projects section of the annual report.

Our Community Social Responsibility programme placed emphasis on the importance of trees for our environment. Together with an arborist SMME we visited 18 schools across all provinces, educating about 20 000 children on the importance of trees and planting 446 indigenous trees. In addition, we partnered with the Cancer Association of South Africa (CANSA) and also ran an HIV/AIDS awareness campaign at our offices.

Distressingly, there seems to be a perpetual increase in the incidence of cancer and this was brought home to us with great impact in the past year when several staff members were diagnosed with the illness. I would like to commend them on their fortitude and the lessons they taught: you can survive cancer and you can learn from the courage of others.

On a personal note, I was honoured at the 2014 'Most Most Influential Women in Africa' awards in the Agencies and Regulatory categories. While I accepted the award, it was as Director of the CCMA and the collective effort of our amazing organisation.

It is on this upbeat note that I would like to pay tribute to the commitment and expertise of our management team and staff across the organisation. Our success in the year under review could not be better expressed than through our having achieved an average of 3,69 against the scorecard's target of 3. This is an outstanding performance, especially when considered in the context of the events in the past year.

The Governing Body and its committees play vital roles in the CCMA's success through the way in which it provides direction. In particular, I would like to thank Elias Monage, in his role as Acting Chairman, for his willingly provided support and encouragement. On 1 October 2013, we welcomed Daniel Dube as Chairman of the Governing Body. He has been exposed to a broad cross section of the CCMA and its operations and we wish him well as part of our team.

The theme for the Commissioner's Indaba in December was 'Mountains beyond Mountains'. I will end my report by commenting, that is how I perceive the future of the CCMA. The space in which we operate will never remain static and our ability to stay abreast of changing demands will determine our success. I believe that we have the skills and experience to meet future challenges and continue to meet and exceed our mandate.



Director

Nerine Kahn



The 2013 Commissioner's Indaba: Commissioners Comforted by Commissioner Leon Levy's Words on Hearing of the Death of the Former President Nelson Mandela

The Constitution affords everyone the right to fair labour practices, and these labour rights are codified in the Labour Relations Act (LRA) 66 of 1995 (as amended). The LRA, in turn, establishes the CCMA and determines its functions. A Governing Body, which is appointed by the Minister of Labour (the Executive Authority), is appointed as the Accounting Authority of the CCMA, with its executive and oversight functions defined by the LRA and other governance and compliance legislation. A Director of the CCMA, who primarily performs the duties of Chief Executive Officer as well as other functions, is defined in the LRA.

Governance Mandate

The CCMA is a National Public Entity listed under Schedule 3A of the Public Finance Management Act (PFMA) 1 of 1999 (as amended). In pursuit of governance excellence, the CCMA ascribes to the principles of the Code of Corporate Practices and Conduct contained in the King III Report, as well as the Protocol on Corporate Governance in the Public Sector 2002. The Governing Body's legislated mandate is augmented by the guidelines contained in the handbook for the appointment of boards of public institutions.

Oversight

CCMA functions are subject to annual audits by the Auditor-General, and augmented by continuous scrutiny by Internal Audit. The Audit Committee exercises oversight in response to the effectiveness of controls as reported upon by the Internal Audit Department, as well as matters reported in the external regulatory audits. As a Public Entity, the CCMA receives its funding from the fiscus, and therefore has to ensure that funds are utilised in an economic, efficient and effective manner. In its pursuit of benchmarking best governance practices, the CCMA adopts an inclusive approach that recognises the importance of all stakeholders in relation to the viability and sustainability of the organisation.

Governing Body

The roles and responsibilities of the Governing Body are stipulated in the LRA as well as being derived from the Public Finance Management Act and Treasury Regulations. The non-delegable functions of the Governing Body are as follows:

- The appointment of the Director
- Appointment of commissioners, or removing commissioners from office
- Depositing or investing surplus money
- Accrediting of councils or private agencies, or amending, withdrawing or renewing their accreditation
- Subsidising accredited councils or accredited agencies.

In terms of the LRA, other functions of the Governing Body include the delegation of certain functions to the Director and the variation or setting aside of decisions taken by its delegates.

The Governing Body is additionally responsible for:

- The development and monitoring of the execution of the strategy
- Ensuring that an evaluation system is in place to monitor major capital projects
- The implementation of appropriate and effective measures to prevent unauthorised, irregular and or fruitless expenditure and wasteful expenditure, or losses from criminal conduct.

A Governing Body Charter, which is reviewed annually, guides the workings of the Governing Body and gives right of existence to its committees. The Governing Body meets at least quarterly, and when deemed necessary. As the Accounting Authority, it is represented by nominated tripartite members to parliamentary and governmental forums as and when necessary.

The Governing Body consists of an independent chairperson and nine other members each nominated by the National Economic Development and Labour Council, and appointed by the Minister of Labour. Three members each from organised labour, organised business and government make up the tripartite Governing Body. In the period under review, in terms of section 116(2)(a) of the LRA, a new Governing Body Chairperson, Mr Daniel Dube was appointed by the Minister of Labour for a five-year period.

Governing Body and Committee Membership

The Governing Body may, in terms of section 121 of the LRA, establish committees and subcommittees to assist the Commission, and the following committees have been established to fulfil this need: the Human Resource Committee, the Audit Committee, the Finance and Risk Committee, the Accreditation and Subsidy Committee and the Governance, Social and Ethics Committee.

Finance and Risk Committee

The Finance and Risk Committee is established as a committee of the Governing Body in terms of section 121 of the LRA, to assist the Governing Body in their Fiduciary duties. The committee is chaired by Mr Leon Grobler, from organised labour.

Accreditation and Subsidy Committee

The Accreditation and Subsidy Committee considers and makes recommendations to the Governing Body regarding the accreditation of statutory councils, bargaining councils and panellists, as well as the ratification of the payment of subsidies to councils. Mr Ian Macun, from government, is the chairman of this committee.

Governance, Social and Ethics Committee

The Governance, Social and Ethics Committee considers and advises the Governing Body on all matters relating to governance, organisational good citizenship and compliance. The functions of the committee are, inter alia, to:

- Develop the CCMA's approach to matters of corporate governance and make recommendations to the Governing Body
- Evaluate the effectiveness of the Governing Body, its committees and management, and report thereon to the Governing Body
- Assist in developing and monitoring the organisation's strategy
- Guide the organisation's good citizenship agenda by reviewing the relevant community social responsibility programme

The Governance, Social and Ethics Committee is chaired by the chairperson of the Governing Body and comprises of the chairpersons of the Human Resource Committee, the Finance and Risk Committee and a representative from government.

Audit Committee

The Audit Committee's primary role, in terms of the PFMA is to review the effectiveness of the internal audit function, the reports of internal and external auditors and the quarterly and annual review of financial statements. Assurance is provided by the Internal Audit function to the Audit Committee that internal controls are appropriate and effective. This is performed by means of an independent, objective appraisal and evaluation of risk factors, management processes, internal controls and governance processes. Mr Shami Kholong is the independent chairperson.

Human Resource Committee

Human Resource basket of organisational issues is considered by this committee. Disciplinary and remuneration matters are considered and recommended to the Governing Body for approval. In particular, the focus of this committee is on in depth areas affecting commissioners, reviewing appointments, conduct, ethical and disciplinary challenges as well as performance for commissioners as part of the non-delegable functions of the Governing Body. This also involves constituting interview panels for appointment or renewal of all commissioner contracts. This committee has an oversight of Human Resource policies and their implementation and sits as the remuneration committee for the organisation. The committee is chaired by Mr Elias Monage from organised business.



Chairperson of the CCMA Governing Body Mr Daniel Dube with KZN Convening Senior Commissioner Raj Shanker during the Chairperson and Director's Regional Roadshows

Governing Body and Committee Attendance

Governing Body members					
Names	Constituency	Appointment Date	Committee	Area of expertise	Board Directorships/ Other Committees
Daniel Dube	Independent Chairperson	1 October 2013	Governing Body (GB) Chairperson; Governance Social and Ethics (GSEC)- Chairperson	Labour Relations, Training, Skills Development	Self Help and Resource Exchange (Chairman 2005 to date)
Tanya Cohen	Independent Chairperson	Reappointment 30 June 2011 to 31 May 2013	Previous Governing Body Chairperson, Rules Committee Chairperson	Law, Governance and Labour Market Policy	BUSA (from Oct 2013); Starfish Great Hearts (From April 2013); Commission for Employment Equity (From June 2013)
Aruna Ranchod	Organised Business	Appointment - 30 June 2011	Governing Body Member Accreditation and Subsidy Committee (Asc) Member, Rules Committee Member	Labour Relations	MIBCO Governing Board; NEDLAC Labour Market Chamber; National Administrative Board (MIBCO); Labour Market Policy Review Task Team (BUSA); Employment Equity Task Team on Regulations (NEDLAC); Joint Demarcations Liaison Board; (MIBCO/MEIBC)
Bheki Ntshalintshali	Organised Labour	Reappointment 30 June 2011	Governing Body Member	Labour Market, Social Dialogue, Policy Formulation	Proudly South Africa, Employment Conditions Commission (DoL); Human Resource Development Council (DHET); NALEDI (Research Institute); ILO Governing Body (Geneva)
Elias Monage	Organised Business	Reappointment 30 June 2011	Acting Chairperson Human Resources Committee (HRC) Chairperson Governance Social and Ethics Committee (GSEC) Member	Governance Labour Market Policy Strategy Human Resources (Human Capital)	ARABELA Holdings (Pty) Ltd; RX Health (Pty) Ltd; Steloy Castings (Pty) Ltd; CAPES Industry Provident Fund; NEDLAC Labour Market Policy; BUSA Social Policy

Governing Body members					
Names	Constituency	Appointment Date	Committee	Area of expertise	Board Directorships/ Other Committees
Ian Macun	Government	Reappointment 30 June 2011	Accreditation and Subsidy Chairperson	Labour Relations; Research, Monitoring and Evaluation	NEDLAC Labour Market Chamber
Kaizer Moyane	Organised Business	Reappointment 30 June 2011	Governing Body Member	Labour Relations and Employment Law	Commissioner in the Employment Conditions Commission; Business Convenor of the Labour Market Chamber of NEDLAC; Member of the Section 77 Standing Committee of NEDLAC
Leon Grobler	Organised Labour	Appointed 30 June 2011	Governing Body Member; Finance and Risk Committee Chairperson; GSEC Member; Rules Committee Member	Senior Management, Labour Law, Human Resources, Skills Development	SSETA - Member Accounting Authority, Chairperson Governance and Strategy; Assessor COIDA; Trustee Sentinel Retirement Fund; Board Member Diamond Regulator of South Africa, Technical Committee (Ministerial appointment); FEDUSA MANCO, EXCO; NEDLAC EXCO, MANCO, LMC, Chief Negotiator.
Narius Moloto	Organised Labour	Reappointment 30 June 2011	Accreditation and Subsidy Committee Member Human Resources Committee	Labour Market, Labour Relations, Policy Formulation, Collective Bargaining, Organisational Development	NEDLAC EXCO, MANCO member; Chairperson Gauteng Building Industry Retirement Fund; Trustee Construction Industry Retirement Fund; Principle Officer BCAWU Provident Fund; Alternate Board member Construction SETA.

Governing Body members					
Names	Constituency	Appointment Date	Committee	Area of expertise	Board Directorships/ Other Committees
Ntsoaki Mamashela	Government	Reappointment 30 June 2011	Governing Body, Finance and Risk and the CCMA Rules Committees	Labour Relations (EEA, LRA, BCEA, SDA, COIDA, UIA), Policy Formulation and Development; Legal Drafting; Strategic Planning; Risk Management; Financial Management; Strategic Leadership; Strategic Communication and Negotiation Skills; Project Management; Human Resource Management and Corporate Governance	NEDLAC MANCO; NEDLAC Labour Market Chamber; NEDLAC HR and Remuneration Committee and DOL National Performance Review Board
Thembinkosi Mkalipi	Government	Reappointment 30 June 2011	Human Resources Committee Member	Labour Market, Industrial Relations, Policy Formulation, Collective Bargaining	NEDLAC – Exco and MANCO member, NEDLAC Labour Market Chamber - Government Representative, Section 77 - Government Representative
Nerine Kahn	CCMA Director	Ex-officio from 2006	Governing Body, Finance and Risk Committee (FRC), Human Resource Committee (HRC), Accreditation and Subsidy Committee (ASC), Audit Committee (AC), Governance Social and Ethics Committee (GSEC)	Law, Labour Laws, Industrial Relations, People Management, Strategic Management, Governance, PFMA, Accounting Officer Facilitation	

Remuneration of Governing Body Members

Governing Body and committee members are remunerated in accordance with the annually approved National Treasury rates for a Department of Labour defined Sub-category A-2 board. Governing Body members are also paid a nominal daily fee as preparation fee in addition to the approved daily fee. Representatives from Government (Department of Labour) are not paid.

Name	Surname	Board Fees (R)	Other Reimbursements (R)	Total (R)
Tanya	Cohen	60,655.77		60,655.77
Daniel	Dube	93,585.00		93,585.00
Elias	Monage	211,053.00		211,053.00
Aruna	Ranchod	60,201.00		60,201.00
Kaizer	Moyane	30,517.00		30,517.00
Bheki	Ntshalintshali	14,117.00		14,117.00
Leon	Grobler	120,619.00		120,619.00
Narius	Moloto	47,860.00		47,860.00
David	Lakay	81,909.00	4,550.00	86,459.00
Dave	Carson	19,249.77		19,249.77
Sifiso	Lukhele	105,102.18		105,102.18
Shami	Kholong	56,161.00		56,161.00
Velile	Pangwa	35,472.00		35,472.00
Ramona	Clark	43,964.00		43,964.00
Jim	Wilson	30,208.00		30,208.00
Josias	Mpe	91,846.00		91,846.00
Freddie	Petersen	No Fees		
Thembinkosi	Mkalipi	No Fees		
Ian	Macun	No Fees		
Ntsoaki	Mamashela	No Fees		

2013/14 Governing Body (GB) Attendance Register

	28 May 2013	25 July 2013	10 Sept 2013	21 Nov 2013	27 Feb 2014	Total Attended
Tanya Cohen	√	-	-	-	-	1/1
Daniel Dube	-	-	-	√	√	2/2
Aruna Ranchod	√	√	√	√	√	5/5
Elias Monage	√	√	√	√	√	5/5
Leon Grobler	√	√	√	√	√	5/5
Bheki Ntshalintshali	X	X	X	√	√	2/5
Ian Macun	X	X	√	√	√	3/5
Narius Moloto	√	√	√	√	√	5/5
Kaizer Moyane	√	√	√	√	√	5/5
Ntsoaki Mamashela	X	√	√	X	√	4/5
Thembinkosi Mkalipi	√	X	√	X	√	3/5
Nerine Kahn	√	√	√	√	√	5/5

1 Term ended 31 May 2013

2 Term commenced 01 October 2013

2013/14 Finance and Risk Subcommittee (FRC) Attendance Register

	4 Mar 2013	16 May 2013	19 July 2013	2 Sep 2013	28 Oct 2013	27 Jan 2014	Total Attended
Leon Grobler	√	√	√	√	√	√	6/6
Ntsoaki Mamashela	√	√	X	√	X	√	4/6
David Lakay	√	√	√	√	√	√	6/6
Nerine Kahn	X ³	√	√	√	√	√	5/6

2013/14 Accreditation and Subsidy (ASC) Attendance Register

	7 May 2013	22 Aug 2013	28 Oct 2013	10 Feb 2014	Total Attended
Ian Macun	√	√	√	√	4/4
Aruna Ranchod	√	√	√	√	4/4
Narius Moloto	X	X	√	√	2/4
Josias Mpe	√ ⁴				1/1
Dave Carson	√	√	√	X	3/4
Nerine Kahn	√	√	√	√	4/4

2013/14 Governance and Social Ethics Committee (GSEC) Attendance Register

	15 April 2013	14 May 2013	22 July 2013	27 Aug 2013	30 Aug 2013	30 Oct 2013	28 Jan 2014	Total Attended
Tanya Cohen	√	√	-	-	-	-	-	2/5
Daniel Dube	-	-	-	-	-	-	√	1/6
Leon Grobler	√	√	√	√	√	√	√	7/7
Elias Monage	√	√	√	√	√	√	√	7/7
Freddie Petersen	√	√	√	√	√	√	√	7/7
Nerine Kahn	√	√	√	√	√	√	√	7/7

Committee Members that are not Governing Body Members

Names	Constituency	Appointment Date	Committee
David Lakay	Organised Business	Reappointment 30 June 2011	Finance and Risk Subcommittee
Dave Carson	Business	1 April 2012	Accreditation and Subsidy Subcommittee
Sifiso Lukhele	Organised Business	Re-Nominated 1 July 2011	Human Resources Subcommittee
Freddie Petersen	Government	Reappointment - 30 June 2011	Governance Committee
Shami Teboho Solomon Kholong	Business/Independent	1 February 2012	Audit Committee
Velile Pangwa	Business/Independent	1 February 2012	Audit Committee - Chairperson, Attends GB as Invitee
Ramona Clark	Organised Labour	1 April 2012	Audit Committee
Jim Wilson	Business/Independent	17 February 2012	Audit Committee

3 Apologies tendered and alternative attended

4 Alternative representative for Organised Labour representative Narius Moloto

5 Term ended 31 May 2013

6 Term commenced 01 October 2013

2013/14 Audit Committee (AC) Attendance Register

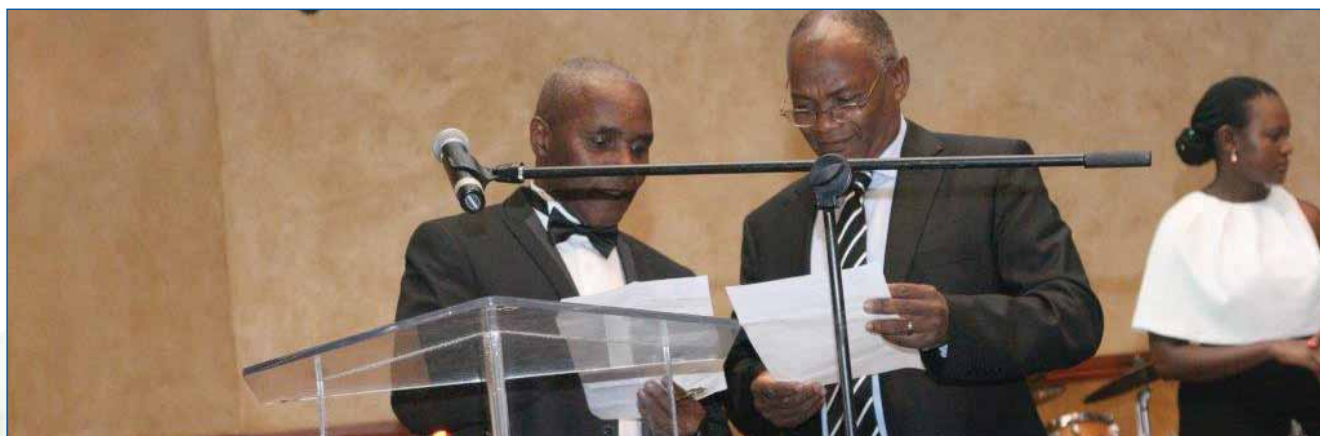
	17 May 2013	19 Jul 2013	3 Sep 2013	29 Oct 2013	29 Jan 2014	Total Attended
Shami Teboho Kholong	√	√	√	√	X	4/5
Velile Pangwa	X	√	√	√	√	4/5
Ramona Clark	√	√	√	√	√	5/5
Jim Wilson	√	√	√	√	√	5/5
Freddie Petersen	X	√	√	√	√	4/5
Nerine Kahn	√	√	√	√	√	5/5

2013/14 Human Resources Subcommittee (HRC) Attendance Register

	9 April 2013	9 May 2013	23 July 2013	28 Aug 2013	26 Sept 2013	1 Nov 2013	6 Feb 2014	Total Attended
Elias Monage	√	√	√	√	√	√	√	7/7
Narius Moloto	√	X	√	X	√	√	√	5/7
Josias Mpe				√				
Thembinkosi Mkalipi	√	√	X	√	√	√	√	5/7
Sifiso Lukhele	X	√	X	√	√	√	√	5/7
Nerine Kahn	√	√	√	√	√	√	√	7/7



2013 Commissioners' Indaba: Governing Body Members Leon Grobler and Elias Monage



2013 Commissioners' Indaba: Governing Body Chair Mr Daniel Dube and Governing Body Member Mr Thembinkosi Mkalipi

Commissioners Indaba

The Commissioners Indaba, under the theme *Mountains beyond Mountains - Gearing to Scale the Labour Market's Heights and Challenges*, took place over two days in December appropriately in the majestic mountains of the Drakensburg in Kwa-Zulu Natal. The value of this annual event to the knowledge and skills development of commissioners has become increasingly evident. In a year marked by an uncertain labour market, in a changing policy regime with adversarial relations, inflexible negotiating positions, rapid change and unexpected tragedy, the theme challenged commissioners to redouble their efforts to deliver on the CCMA's social justice mandate.

This year's Indaba will be forever etched in the collective memories of the approximately 350 delegates attending on hearing of the death of our former president and great patriot Nelson Rolihlahla Mandela. Proceedings were halted and we were honoured to be addressed by CCMA Commissioner Leon Levy, fellow activist and treason trialist and CCMA Commissioner Themba Hlatshwayo, a former fellow activist and Robin Island prisoner. Commissioner Hlatshwayo recounted life on the Island and how the then Prisoner Mandela fought for prisoners' access to education and importantly encouraged solidarity and cooperation regardless of prisoners' political affiliations. Significantly Commissioner Levy reminded us of the monumental role played by President Nelson Mandela in establishing and inculcating the constitutional framework within which the CCMA has been charged with promoting social justice, labour peace, economic development and the democratisation in the world of work. Delegates drew comfort that the CCMA is a testimony of the principles held dear to former President Nelson Mandela having shared in the realities and challenges of the workplace as both a worker, having been a one-time mine security guard and lawyer who fought against unfair discrimination.

Motivated by Mandela's own words "*What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead*", the Indaba reconvened and discussions lead by imminent thinkers and leaders across the social spectrum including Judge Denis Davis, Clem Sunter and Allister Smith considered the widening fault lines in the labour market and broader socio-economic conditions and assisted us in reflecting on the role in the labour market and the opportunities to strengthen the CCMA and the mechanisms we use to carry out our statutory mandate, in an effort to find new ways to add real public value and bring about genuine workplace transformation.

The Indaba culminates with an Awards Ceremony where Commissioners and Regions are formally recognised for excellence in service delivery performance. The "best" and "most improved" regions are identified by overall performance against the scorecard, which includes operational efficiencies as well as financial and corporate services management.

Congratulations to:

- *Best Performing Region: Kwa-Zulu Natal*
- *Most Improved Region: Johannesburg*
- *Best Performing Mediation Region: Port Elizabeth*
- *Best Performing Dispute Management and Prevention Region: Kwa-Zulu Natal*
- *Best Performing Operations and Dispute Resolution Region: Ekurhuleni*
- *Best Performing Full-time Commissioner: Musolwa Rapalane (Johannesburg Region)*
- *Best Performing Part-time Commissioner: Lilian More (Tshwane Region)*

In addition, the Director recognises individual regions that distinguished themselves in promoting the values of the CCMA within and outside the organisation.

Directors Award

Senior Commissioner Eleanor Hambidge for strengthening the relationships with and improving performance and governance of bargaining councils as well as the ground-breaking accreditation of four private agencies.

Surayia Sewraj National Facilities Manager for helping the CCMA to start changing our ways with waste and recognising the need to be green for our future by making the organisation more mindful of our carbon footprint.

Senior Part-time Commissioner Almeiro Deyssel for working systematically to support the organisation by being instrumental in establishing the Case Law Monitor forum, sharing his wealth of knowledge and experience and assisting greatly in the development of commissioners in his province through advice and mentoring and standing out above the rest with regard to commitment, loyalty and dedication and is a role model to all in his province

Senior Commissioners Arnous Mohlala, Winnie Everett and Shawn Christiansen for being trailblazers in facilitating and guiding parties in a significant event that our community and society was focused on namely working as a team on the section 189 A facilitation at Amplats

Excellence Awards Recipients



Best Performing Region: Kwa-Zulu Natal



**Best Performing Operations and Dispute Resolution
Region: Ekurhuleni**



Most Improved Region: Johannesburg



**Best Performing Dispute Management and
Prevention Region: Kwa-Zulu Natal**



Best Performing Mediation Region: Port Elizabeth

Excellence Awards Recipients



**Director's Award: (From left) Senior Commissioners
Arnause Mohlala, Winnie Everett and
Shawn Christiansen**



**Best Performing Part-time Commissioner
Lillian More**



**Best Performing Full-time Commissioner
Musolwa Rapalalane**



**Director's Award: Senior Commissioner
Eleanor Hambidge**



**Director's Award: National Facilities Manager
Suraiya Sewraj**



**Director's Award: Senior Part-time Commissioner
Almeiro Deyssel**

Amendments to the Employment Laws

The parliamentary process of amending the South African employment legislation has notably progressed. The CCMA has contributed constructively in the review of all affected Acts namely the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Employment Services Bill.

It is recognised that the proposed amendments will have a profound effect on the labour market in general, and the CCMA in particular in its performance of dispute resolution functions. It has been a strategic focus to ensure that the organisation is operationally prepared for implementation. A national task team lead by the Director of the CCMA has been established comprising of experienced commissioners, internal specialists and external technical experts as well as specialist working groups that focus on the most complex sections of the amended legislation.

The CCMA has convened a stakeholder lead review process of the CCMA rules as well as revising the forms to align with the proposed amendments. The CCMA has developed training material as well as conducted training nationally for commissioners and stakeholders. It is commonly acknowledged that to exercise rights, the right-beneficiaries must know and understand the rights afforded to them. This is particularly true for vulnerable workers and to this end the CCMA has developed a communication plan and advocacy programme to alert, inform and educate users and the general public on the amendments to the labour laws.

Moreover, the CCMA as an employer is preparing for the labour laws amendments with a number of wide-ranging initiatives from cost benefit utilisation studies, policies and systems development to a review of job functions and descriptions.



Labour Law Amendments Workshop: Western Cape

CCMA and Bargaining Councils / Public University Qualification Delivery Project

Building quality conflict management and dispute resolution capacity is a CCMA lead project which stands to have a significant impact on the labour dispute resolution and conflict management field. The origins of the CCMA and Bargaining Councils / Public University Qualification Delivery Project stems from the current CCMA in-house commissioner training course. In order to promote quality skills development and enhance accessibility, it was decided to move the course into the Higher Education realm.

Following a call for Expression of Interest, the submission of proposals and the delivery of presentations to an Industry (CCMA and Bargaining Councils) Panel by interested public universities, the Industry has partnered with five successful public universities in developing and delivering a Labour Dispute Resolution Practice Qualification. These are the Nelson Mandela Metropolitan University; Stellenbosch University; the University of the Witwatersrand; the University of the Free State and the University of the Western Cape. At the beginning of 2014 the Law Faculty of the University of KwaZulu-Natal was also accepted as a participant in the project.

Excellent progress was made during the year under review, with the initiative gaining considerable momentum. MOAs were signed with four of the five universities, with the fifth and sixth MOAs scheduled to be signed early in the 2014/2015 financial year.

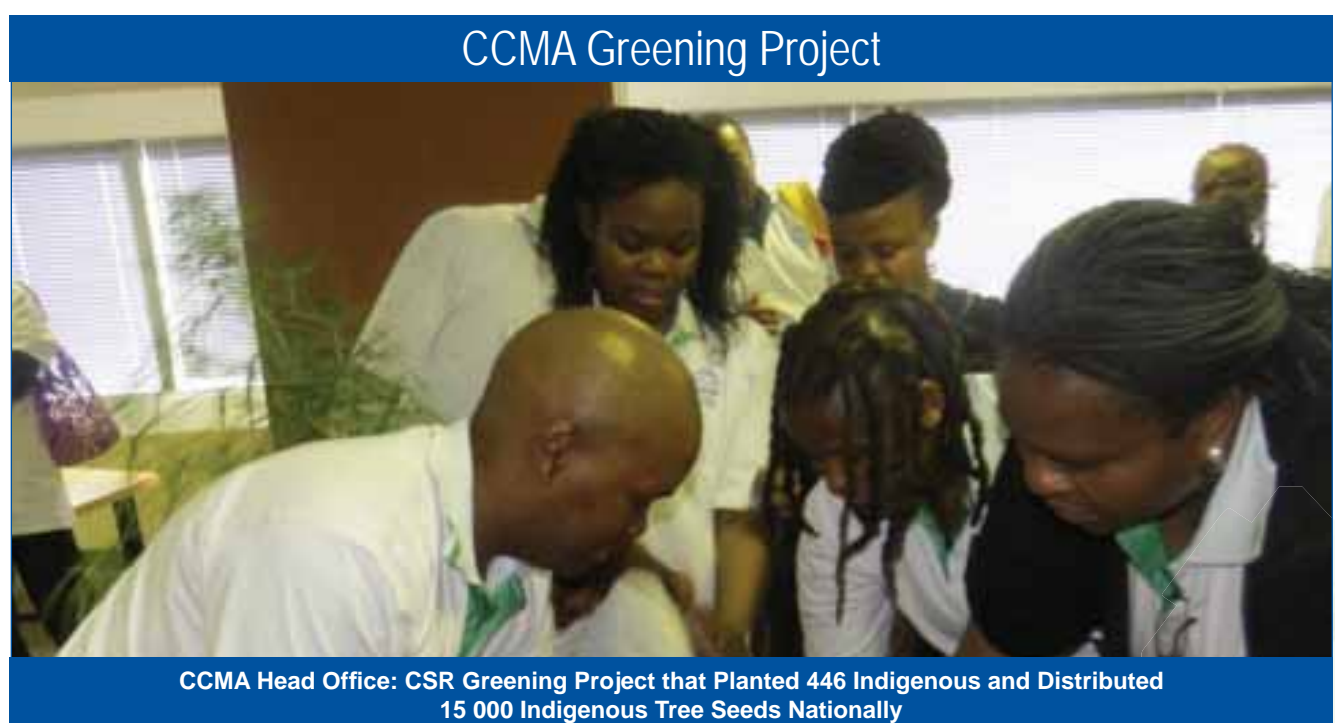
A Programme Framework and High Level Content for the qualification was drafted by the Industry and was tabled and adopted at a joint Industry/University Task Team meeting held in Cape Town on 2 October 2013. This was an important milestone, being the culmination of much groundwork and discussion.

This collaborative initiative stands to contribute to generating not only a broad base of knowledgeable and skilled dispute resolution practitioners and conflict managers, but also practitioners who are sensitised to the needs, challenges and nuances of the South African labour market. In this regard, equity, ethics and social justice considerations are equally balanced with technical skills.

This CCMA ground breaking initiative comes at an opportune time considering the rapidly changing and increasingly complex nature of labour market dynamics and relations. This programme stands to significantly contribute towards building skills and capacity in the Labour Relations Practice Industry, with all role players in the Industry standing to benefit greatly.

The Community Social Responsibility Programme

The CCMA Community Social Responsibility (CSR) Programme is an innovative initiative aimed at encouraging good citizenship, contributing to nation-building and advancing our mandate of social justice by creating platforms of opportunities and building partnerships to make a difference for our people, our environment and the communities we live and work in. The CSR programme has three delivery areas namely



People: We are committed to supporting and encouraging employees' personal and professional contributions to environmental, community and social initiatives to enhance the weave of our organisation, the fabric of the communities in which we operate and the world at large.

Environment: We are committed to our ongoing efforts to reduce our environmental footprint, by providing the means to measure and manage our use of energy, water and other consumables.

Community: We encourage employees to contribute to the communities we work and live in and to the global community

We have realised our Community Social Responsibility aims and commitments during this year through a number of inspirational, impactful and sustainable projects.

The CCMA's ongoing efforts to reduce our carbon footprint was significantly advanced in this year with a programme to replenish our natural resources. CCMA partnered with an arborist SMME and together visited 18 schools across all provinces educating approximately 20 000 children on the importance of trees. We planted 446 indigenous trees in the respective schools and issues 15 000 indigenous tree seeds and planting packs amongst the staff and school children.

A strategic element of the CSR programme and key to its success is the integration of advocacy, education, philanthropy and team building into each project undertaken. The CCMA partnered with CANSA and provided information, education, screening and testing for breast and prostate cancer for our employees and commissioners in all of our 21 offices. A hair-a-thon was held with the proceeds donated equally to CANSA and Reach for a Dream Teddy Bears Project.

An HIV Aids awareness and information campaign was held in all of the CCMA offices as well as supporting the person with disabilities casual day. Each of the CCMA offices provided support and assistance to a vulnerable community programme as part of the Nelson Mandela 67 minutes campaign.

It is planned to expand the CSR programme during the next financial year to include an employee volunteer programme, a professional exchange programme and a young person's internship programme.

Take a Girl Child to Work Day



CCMA Johannesburg Office: CSR Take a Girl Child to Work



2013 Commissioners' Indaba: Governing Body Members Ian Macun and Kaizer Moyane



CCMA / ILO: Director of the CCMA Nerine Kahn Opening the Decent Work Contract Cleaning Sector Summit



East London Office: Empumalanga Supermarket Management and SACCAWU representatives participated in a scoping meeting for the Workplace Change & Transformation Project



Western Cape Region: Users and Stakeholders Attending the CCMA Agriculture Sector Forum Meeting in Oudtshoorn

Governing Body



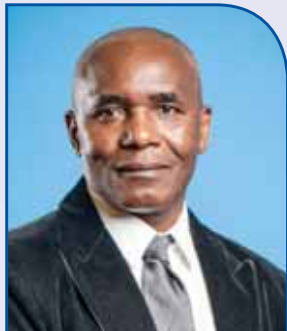
Chairperson
Daniel Dube



Organised Business
Representative
Elias Monage



Organised Labour
Representative
Bheki Ntshalintshali



Government
Representative
Thembinkosi Mkalipi



Organised Business
Representative
Aruna Ranchod



Organised Labour
Representative
Leon Grobler



Government
Representative
Ntsoaki Mamashela



Organised Business
Representative
Kaizer Moyane



Organised Labour
Representative
Narius Moloto



Government
Representative
Ian Macun

Organisational Structure



Siyaphambili Strategy Scorecard

Introduction

The CCMA uses a scorecard to monitor and evaluate performance of the strategic plan on a quarterly and annual basis. The scorecard reflects strategic objectives and associated key performance areas and targets for the period under review.

The Governing Body is responsible for monitoring the delivery of the strategy and evaluating performance of the strategic plan. The Governing Body relies on the Director to oversee delivery of the strategy, who in turn relies on the Executive Committee to report and account on this delivery, in order to evaluate progress. The Executive Committee established a Strategy Committee for operational monitoring and evaluation purposes.

The scorecard is designed for both external reporting and internal performance management purposes. A three-condition scale is employed, reflecting the level of achievement on the targets as follows:

- Target achieved
- Target partially achieved
- Target not achieved

For the year under review, the organisation has performed exceedingly well and satisfied all conditions that were established for meeting targets. A synopsis of the organisational performance revealed that, despite the adverse operating environment and the increasing demands placed on the organisation, significant delivery was achieved.



CCMA Johannesburg Office Strategy Workshop

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
1.1 The CCMA plays a meaningful role in the facilitation of social dialogue and economic development on identified labour market issues locally and internationally.	Four (4) papers/articles and/or presentations on topical issues geared towards promoting social dialogue published or presented to the labour market role players.	Twenty six (26) papers/articles/or presentations on topical issues delivered.	●
	Two (2) targeted sector summits were held	Two (2) sector summits, one (1) in the Agricultural sector and one (1) in the Contract Cleaning sector were held	●
	Labour market structures were further established and maintained	Security Compliance Forums were established in a number of Regions over and above the maintenance of current CCMA user forums, regional sector forums, stakeholder meetings and engagements held across all Regions.	●
	A 70% quality measure achieved overall for activities held that facilitate social dialogue.	An 80% quality measure was achieved overall for activities held for the facilitation of social dialogue in the Labour Market.	●
1.2 Provide support and assistance to local, regional and international organisations.	Implementation of all agreed to projects in respect of the CMS roll out in conjunction with twelve (12) relevant organisations.	WebCMS was rolled out to eighteen (18) bargaining councils	●
	Facilitation support was provided to Nedlac as required	The CCMA provided facilitation support to Nedlac in the Employment Equity Amendment Act process, the Nedlac Annual Summit, the S77 Standing Committee on Transformation of the Agricultural Sector, the UIF Bill and the Employment Service Bill.	●
	Expertise, training and facilitation provided to ILO project as required	Expertise, training and facilitation provided to ILO project in materials development for training of Labour Department Inspectorate. Facilitated training in the Agricultural Sector in the Western Cape.	●
	Support to SADEC regions provided as required	Support provided to SADEC region as required.	●
1.3 Enhance the quality and effectiveness of dispute resolution under the auspices of the Bargaining Councils and Private Agencies.	Compliance has been consistently monitored and evaluated against the accreditation and subsidy criteria on a monthly basis and reported on a quarterly basis.	Compliance with the accreditation and subsidy criteria was consistently monitored and evaluated against the accreditation and subsidy criteria on a monthly basis and reported on a quarterly basis	●
	Establishment of Bargaining Councils in accordance with labour market necessity	Assistance and support was requested and provided to three (3) labour market sectors including inter alia to the Statutory Council for Fast Food as well as the Bargaining Council for the Civil Engineering Industry to establish a dispute resolution department in line with the CCMA efficiencies.	●
	The number of accredited Bargaining Councils was maintained and increased	Number of accredited Bargaining Councils was maintained.	●
	A Private Agency to be accredited.	Four (4) Private Agencies accredited.	●

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
1.4 Provide user and stakeholder empowerment and capacity building.	Awareness raising and capacity building initiatives were conducted in each region as identified and appropriate to the specific conditions of each region.	Awareness raising and capacity building initiatives were conducted in 12 (twelve) identified vulnerable sectors including inter alia the agriculture, domestic worker, contract cleaning and mining sectors	●
	All user capacity building requests were responded to and undertaken where appropriate.	All user capacity building requests received were responded to and undertaken where appropriate across all regions.	●
	Identified special projects were carried out.	The SABC Radio Education Project was completed with fourteen (14) episodes aired on twelve (12) radio stations.	●
	A 70% quality measure was achieved overall for capacity building activities held	An 80% quality measure was achieved overall for capacity building activities held	●
	An impact assessment was conducted for the vulnerable sector initiative.	An impact assessment was conducted for the vulnerable sector initiative.	●
1.5 Promotion of employment security	Publicity and capacity building activities promoting job and employment security were conducted as per Regional Operational Plans	Publicity and capacity building activities promoting job and employment security were conducted as per Regional Operational Plans across all Regions	●
	One (1) capacity building seminar involving job saving implementation partners was held in each Region.	Eleven (11) capacity building seminars/workshops involving job saving implementation partners were held. ⁷	●
	A 70% quality measure was achieved overall for promotion of job and employment security capacity building activities held.	A 76% quality measure was achieved overall for promotion of job and employment security capacity building activities held	●
1.5.1 Establish a Job Saving Unit	A CCMA Job Saving Unit has been established with basic capacity and systems in place	A CCMA Job Saving Unit has been established with basic capacity and systems in place.	●
	The value added and design of the CCMA Job Saving Strategy, including S189A processes and the Training Layoff Scheme (TLS), was analysed and effectiveness improved annually by 5% through the application of the research findings.	The value added and design of the CCMA Job Saving Strategy was analysed and the research findings implemented. Additional interventions beyond the research findings were implemented	●
1.6 Participate in the process of amending CCMA relevant Employment Law and policy development.	Participated 100% in the process of amending employment legislation when required by the NEDLAC Process.	Participated 100% in the process of amending employment legislation when required by NEDLAC including drafting of process specialist manuals on Employment Equity, Organisational Rights and S198. User training was conducted nationally. Preparation for the drafting of the Specialist Interest Arbitration manual has commenced. Institutional preparations for the implementation of the Employment Laws Amendments in the CCMA as an Employer has commenced.	●
	Approved rules and CCMA forms have been submitted for promulgation.	Rules and CCMA forms have been amended and are in the stakeholder engagement phase of the approval process	●

⁷ The national delivery department is currently being re-structured with recently reorganised strategic focus and is not yet fully capacitated with still developing systems, structure and resources

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
1.7 Assist, support, promote and enhance the quality of collective bargaining.	The specialist dispute resolution services and post dispute support services have been maintained	The specialist dispute resolution service dealt with four thousand four hundred and forty-two (4 442) matters nationally. Post dispute support services were conducted in the Road Freight, Hospitality, Chemical, Mining and Finance sectors.	●
	At least 65% of the high impact offers of assistance made in public matters were accepted	97% of the two hundred and thirty-seven (237) offers of assistance made in public interest matters were accepted.	●
	A minimum of 60% settlement rate was achieved on all matters of public interest (section 150 matters)	82% of all matters of public interest (section 150 matters) were settled.	●
	Establishment of a voluntary collective bargaining structure finalised	A draft constitution for the establishment of a bargaining council in the Private Security sector was developed, but not finalised. ⁹	●
1.8 The organisation adds value to the labour market as determined by its mandate	Collective Bargaining Improvement process has been developed and piloted in one identified Redline matter	A pilot of the Collective Bargaining Improvement Process was commenced in the National Bargaining Council for the Civil Engineering Industry	●
	An organisational impact assessment barometer model has been studied	An organisational impact assessment barometer model has been studied in that the approach was approved and the assessment model study framework was defined.	●
	Framework settled with industry role-players.	Framework for LDRP qualification was settled with the Labour Dispute Resolution Practitioner Qualification (LDRP) Industry Task Team and the additional conceptualisation of an 'occupationally-directed programme' and a 'ready-to-practice' graduate was adopted and endorsed by the selected universities	●
	At least one Public University contracted to deliver a Labour Dispute Resolution Practitioner Qualification (LPDRP)	Four (4) public universities contracted to deliver a Labour Dispute Resolution Practitioner Qualification (LDRP).	●
2.1 Ensuring the development and delivery of a Conflict Resolution Practitioner occupational qualification.	Further research has been conducted into the establishment of a Labour Dispute Resolution Practitioner Qualification (LPDRP).	Further research conducted into the establishment of a Labour Dispute Resolution Practitioner Qualification (LDRP) Professional Body and a research report compiled.	●

9 All parties are being engaged to advance the outstanding issues in respect of the constitution and application for registration for a Bargaining Council in the Private Security Sector. Additionally a verification process has been scheduled and will be conducted in the 1st quarter of the upcoming financial year.

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
2.2 Design and development of training materials and courses to support continuous professional development.	Candidate Commissioner training modules have been updated.	Candidate Commissioner training modules have been updated including one new course developed, eight (8) modules further updated in response to the outcomes of the user surveys for purposes of the Labour Dispute Resolution Practitioner Qualification (LDRP) qualification and statutory amendments were included in three (3) of the modules.	●
	Four (4) Specialist Continuous Professional Development (CPD) Commissioner training courses have been refined.	Four (4) Specialist Continuous Professional Development (CPD) Commissioner training courses have been refined namely; <i>English Writing Skills Course for Commissioners, Capacity Building for the Conciliation of Unfair Discrimination Disputes, Advanced Mediation Course and Arbitration and Award Writing Revision for Commissioners</i>	●
	Three (3) specialised courses on the Employment Laws Amendments have been developed.	Three (3) workshop presentations and specialist material on Employment Equity for two (2) courses were developed. Support was provided for two other specialist courses (<i>Organisational Rights and S198</i>). Amendments were included in three (3) Candidate Commissioner modules and one (1) user course.	●
	Three (3) Specialist Continuous Professional Development (CPD) courses for CCMA internal usage developed.	4 (four) Specialist Continuous Professional Development (CPD) courses for CCMA internal usage were developed namely; <i>Capacity Building for the Management and Processing of Unfair Discrimination Disputes, Managing Workplace Discipline and Incapacity for CCMA Managers, Diversity Awareness Raising and Sensitisation within the CCMA Context and Unfair Discrimination - Rights and Responsibilities within the CCMA context.</i>	●
	The identified courses for CCMA users have been completed.	The identified courses for CCMA users have been completed.	●
	An 80% quality measure obtained on training material for which feedback has been received and perused	A 95% quality measure obtained on training material for which feedback has been received and perused.	●

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
2.3 To ensure continuous research and development of effective adult training methodology and techniques including e-learning.	Research outcomes on effective adult training methodology and techniques and e-learning incorporated into the Guidelines for Facilitating Adult Learning	Research outcomes incorporated into a Resource for Facilitators and Material Developers document and the Guidelines for Facilitating Adult Learning at the CCMA.	●
	Effective adult training methodology and techniques developed for three (3) new training materials and for selected existing training material.	Effective adult training methodology and techniques developed for five (5) new internal Specialist Continuous Professional Development (CPD) training courses and seven (7) slide presentations for selected existing training courses.	●
	Facilitator Guidelines have been developed for selected new and existing training courses.	Thirteen (13) facilitator guides were developed: Eight (8) for existing courses, five (5) for new training courses and two (2) for Candidate Commissioner Training.	●
2.4 Development and updating of assessment and mentoring methods.	Research on new assessment approaches conducted.	Report on new assessment approaches compiled.	●
	A post-mentorship monitoring and support structure for new commissioners has been designed.	The post-mentorship monitoring and support structure for new commissioners was designed	●
2.4 Development and updating of assessment and mentoring methods.	New assessments have been developed for all assessment-linked courses	Seven (7) formative and fourteen (14) summative assessments were developed for all assessment-linked courses (Candidate Commissioner Training).	●
	The delivery of the Training plan that includes a focus on diversity awareness, CCMA values and soft skills.	Training plan delivered that includes a focus on diversity awareness, CCMA values and soft skills.	●
2.5 Develop and deliver effective human capital training to align with the needs of the organisation.	The 2013/14 phase of the scheduled management capacity building initiatives have been implemented.	The 2013/14 phase of the scheduled management capacity building initiatives were implemented.	●
	The 2013/14 phase of the women's empowerment and development programme has been implemented	The 2013/14 phase of the women's empowerment and development programme was implemented that covered Diversity Awareness Raising, Management Development for Registrars, Finance for Non-Financial Managers, Management and Development Leadership Skills for Women and Voice Clinic training.	●
	Two (2) programmes have been delivered via an e-learning platform.	Two (2) programmes: Induction e-Learning and Microsoft e-Learning were delivered.	●
	Impact assessments to be conducted on three (3) capacity building initiatives.	Impact assessment conducted on twelve (12) capacity building interventions	●
	A 70% quality measure was achieved overall for applicable training initiatives delivered.	A 75% quality measure was achieved overall for applicable training initiatives delivered.	●

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
3.1 Entrench the mandate of the LRA (social justice, economic development and labour peace) in all CCMA services and outcomes	Commissioners non-performance was monitored and non-compliance addressed	Commissioner performance monitored and non-compliance issues addressed.	●
	95% of settlement agreements perused comply with established quality criteria	99% of settlement agreements perused complied with established quality criteria.	●
	70% of arbitration awards and rulings comply with established quality criteria	88% of arbitration awards and rulings complied with established quality criteria.	●
	17% of settlement agreements reflect return to work outcomes	15% of settlement agreements reflect return to work outcomes. It is noted that, despite the challenges, the organisation has increased achievement from 11% at inception of the target to the current 15% of settlement agreements reflect return to work outcomes. An initiative to raise awareness on exploring return to work outcomes was implemented. ¹⁰	●
3.2 Improve accessibility of services to users.	95% of conciliation processes assessed comply with established quality criteria	98.% of conciliation processes assessed complied with established quality criteria.	●
	A Guideline on conducting Pre-cons was produced and implemented	Guideline on conducting Pre-cons produced.	●
	The review and rationalise plan has been implemented	The review and rationalise plan was implemented. Two (2) offices were opened in Vaal and Welkom. The Welkom office was operational prior to the targeted opening date. Ongoing in-depth research was conducted into using IT platforms and tools to increase accessibility of services to our users and efficiency of service delivery.	●
3.3 Review the impact of the extended mandate.	The broad mandate was advanced	The broad mandate was advanced in that progress was made in all of the twelve (12) Broad Mandate focus areas. In addition to providing support to labour market institutions, a targeted awareness engagement was conducted with stakeholders. A though leadership seminar was held that brought thirteen (13) innovators across multiple societal sectors together to dialogue on the CCMA's external construct and context into the future. The 2015-2020 strategy development process was drafted. This includes the process of reviewing and refining the Broad Mandate. Innovative initiatives included the Decent Work Contract Cleaning project delivered in partnership with the ILO.	●

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Non-performance on this target may be attributed to issues of short term financial realities facing indigent applicants, position having been filled in spite of the ongoing process and an unwillingness by parties to consider re-employ or reinstate after dismissal.

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
3.4 Transformation of workplace relations with a view to embedding economic development, industrial peace and promotion of social justice.	One Workplace Change and Transformation project was implemented per Region, based on labour market analyses.	One (1) Workplace Change and Transformation project was implemented per Region, based on labour market including Managing Conflict in the Workplace, Building Workplace Relations and Unfair Discrimination.	●
	Research, analysis and ongoing monitoring of labour market and labour relations trends and developments was conducted in each Region	Research and analysis was conducted through User Trends Analysis and continuous monitoring of regional labour market developments.	●
	Six unfair discrimination capacity building initiatives were delivered in each Region.	A total of seventy six (76) unfair discrimination and sexual harassment capacity building initiatives were delivered across all regions.	●
	A 70% quality measure was achieved overall for unfair discrimination capacity building activities held.	A 77% quality measure achieved overall for unfair discrimination capacity building activities held.	●
	An impact assessment was conducted of the Workplace Transformation projects carried out.	An impact assessment was conducted on the Workplace Transformation projects carried out.	●
3.5 Promotion of user compliance and removal of social justice blockages in the CCMA Dispute Resolution processes	User engagements were held in all Regions to identify user Dispute Resolution compliance and problem areas addressed	User engagements were held in all Regions to identify user Dispute Resolution compliance and problem areas addressed.	●
	The CCMA's social justice mandate was popularised and internalised amongst CCMA staff and management.	The CCMA's social justice mandate was popularised and internalised amongst CCMA staff and management with presentations on social justice were delivered at the 2013 Commissioner's Indaba. A module on <i>Social Justice, Ethics and Diversity</i> in the CCMA Context has been introduced and presented as part of the Commissioner training course including presentations at Regional Seminars. A dedicated seminar on social justice; Advancing Social Justice In The CCMA: A New Perspective In A Changing Labour Market and Labour Relations Environment was held in the KZN region. An internal campaign was conducted - Living our Values that strengthened the organisations culture of delivering on the social justice mandate.	●
3.6 Improve the quality of service delivery to ensure speedy dispute resolution.	An impact assessment was conducted into the interventions to address user compliance and social justice blockages.	An impact assessment was conducted into the interventions to address user compliance and social justice blockages.	●
	New efficiencies have been reviewed and agreed to (where necessary)	Efficiencies reviewed and adopted.	●
	All regions have achieved a minimum of 63% of the targeted efficiencies.	All regions achieved a minimum target of 85%	●
	All cases have been conciliated within 30 days	All cases have been conciliated within 30 days	●
	All awards delivered and communicated to parties within the 14 day deadline	99.80% of awards delivered and communicated to parties within the fourteen (14) day deadline. Out of a total of seventeen thousand four hundred and ninety-three awards (17 493) issued, fourteen (14) awards from five (5) offices were delivered and communicated to parties outside the deadline ¹¹	●

¹¹ Each late award is investigated and corrective action taken.

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
4.1 Entrench a culture that focuses on performance and service delivery excellence.	The performance management framework has been strengthened with obvious alignment between organisational and individual performance established	The performance management framework was strengthened through a review of the policy on performance management to ensure alignment between individual and organisation performance.	●
4.2 Improve and strengthen organisational capacity for holistic external and internal communication.	The impact of the communication strategy has been assessed The communication and engagement plan implementation strengthened with an emphasis on communication recording and reporting	The assessment plan has been implemented. The communication recording and reporting implementation plan has been implemented.	●
4.3 Top of mind awareness of risk management principles and consideration in all planning and decision making throughout the organisation.	Risk Register Management process further embedded in the organisation. Comprehensive insurance management process further embedded in the organisation. Ensure claims are followed up and finalised.	Risk Register Management process was further embedded in the organisation. Insurance awareness presentations were conducted nationally. Insurance claims were followed up and finalised.	●
4.4 Best practice policies and governance structures implemented.	Policy plan has been implemented with concomitant improvement in the policy approval process. Training and information updates provided to the Governing Body (GB) and its subcommittees in order to enhance the oversight role and execution of fiduciary responsibilities. Evaluation of the performance of the Governing Body and the subcommittees has been conducted.	The policy plan has been implemented and has resulted in an improvement in the policy approval process. Training and information updates were provided to the Governing Body (GB) and its subcommittees. Evaluation of the performance of the Governing Body and the subcommittees was conducted.	●

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
4.5 Ensure public finance management compliance and that the organisation operates as a going concern.	20% reduction of the number of internal audit findings year-on-year.	64% reduction on internal audit findings on year-to-year.	●
	All internal Audit IBTC matters addressed.	All internal audit IBTC matters addressed.	●
	20% reduction in the number of external audit findings year-on-year.	57% reduction in the number of external audit findings on year-on-year.	●
	All external Audit findings addressed.	All external audit findings addressed through IBTC.	●
	No repeat of external audit findings.	No repeat of external audit findings.	●
	100% assets on the floor reconciling with assets on the system.	100% assets on the floor reconciling with assets on the system.	●
	100% of all invoices < 31 days or having a valid and acceptable reason.	100% of all invoices < 31 days or having a valid and acceptable reason.	●
	Expenditure must be within the 5% range of the allocated budget.	Actual Expenditure was within 5% range of allocated budget. Budget saving of 5.3% achieved.	●
	Cash balance covers one month's obligations.	Cash balance covers two (2) months obligations.	●
	Compliance with legal prescripts in relation to supply chain procurement monitored.	Compliance with legal prescripts in relation to supply chain procurement monitored. A reduction of 40% in number of deviations year on year was achieved; 2013 (5: Rm 2.36) 2014 (3: Rm 0.57).	●
4.6 Review the Information Communication Technologies (ICT) application architecture to meet the strategic needs of the organisation.	10% reduction achieved in the number of contracts extended	A 17% reduction achieved in the number of contracts extended.	●
	Efficient and effective internal controls processes, procedures and policies are in place as prescribed by the PFMA, Treasury Regulations and related prescripts.	Financial policies and Standard Operating Practices reviewed and updated.	●
	A BBBEE procurement management system has been developed.	A BBBEE procurement management system has been developed. A BBBEE procurement target of 65% was set and 68% was achieved.	●
4.7 Efficiently and effectively manage the facilities required by the organisation	Maintain, review and improve where appropriate.	All Information Communication Technologies (ICT) plans were reviewed to be aligned with the requirements of the CCMA. Where necessary, accepted benchmarked practices were implemented, e.g. cloud technology, blade servers and combination of network accessibility options.	●
	Organisational Greening Initiative implemented.	This target was incorporated into the Community Social Responsibility KPA 6.1 in Q3 and is being reported as such.	●
	Costs have been managed and are in line with the value for money principle.	Costs have been managed and are in line with the value for money principle.	●

KEY PERFORMANCE AREA	Annual Target as per Strategic Plan	Actual Output-Validated	Score
5.1 Source and retain the best talent for the organisation.	Monitoring and evaluation report on succession planning produced.	Monitoring and evaluation reports on succession planning were produced.	●
5.2 Promote skills development, employment equity and women in Commissioner and leadership positions.	Employment Equity plan implemented Report produced on initiatives undertaken to promote the development of women in leadership.	The Employment Equity plan has been implemented. Report produced on initiatives undertaken to promote the development of women in leadership. In particular recruitment policy and practice has specifically targeted women and a Women in Leadership training programme has been rolled out.	●
5.3 Align the organisational design that facilitates delivery of the strategy	Complete the review of the organisational structure.	The organisational structure review process commenced but not completed. ¹²	●
6.1 Ensure effective development, implementation, evaluation and reporting on the strategy.	Vacancy rate has been managed and maintained below 7%. Updated strategy development framework implemented.	Vacancy rate has been managed and maintained below 7%. An updated strategy development framework has been implemented.	●
6.2 Foster a dynamic organisational culture informed by the values of the organisation.	Community Social Responsibility has been established in the CCMA. Awareness of the CCMA values in the organisation has been strengthened.	Community Social Responsibility has been established in the CCMA. Awareness of the CCMA values in the organisation has been strengthened.	●

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The organisational review process was protracted due to the complexity of the process as well as pending conditional external factors. The reviewed organisational structure has been designed and is in the final adoption phase of the process awaiting the promulgation of the Labour Laws Amendments.



General Manager: Operations
Nersan Govender



National Senior Commissioner: Operations
Ronald Bernickow

Introduction

The Operations department consists of two service delivery areas. The first is responsible for the day-to-day management of all regions and the second consists of four departments namely Case Management, Research, Call Centre and Information Technology.

The Operations department is at the support hub of the organisation, providing a range of services to both internal and external users. These services range from IT systems, through labour market research to providing advice to the public on CCMA processes. The department also provide services to bargaining councils and to other similar institutions in the SADC region.

Its biggest impact is within the CCMA itself, where the department provides ongoing support in all areas of the CCMA's business including Commissioner Affairs and Regional Service Delivery Efficiencies

Strategic Objectives

Operations delivery is informed by Siyaphambili Strategy to:

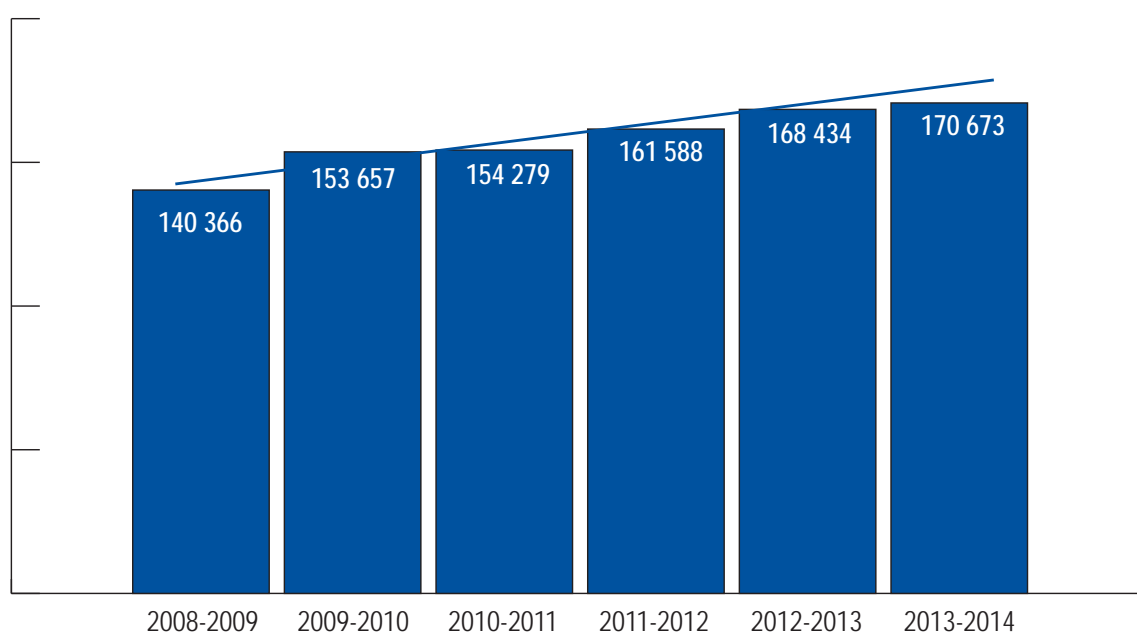
- Play a meaningful role in the facilitation of social dialogue and economic development on identified labour market issues locally and internationally
- Provide support and assistance to local, regional and international organisations
- Entrench the mandate of the LRA (social justice, economic development and labour peace) in all CCMA services and outcomes
- Improve accessibility of services to users
- Transform workplace relations with a view to embedding economic development, industrial peace and promotion of social justice
- Improve the quality of service delivery to ensure speedy dispute resolution
- Review the Information Communication Technologies (ICT) application architecture to meet the strategic needs of the organisation.

Key Performance Areas

The biggest achievement for the period under review was the stabilisation and improvement of operations in nearly all of the regional offices. For the first time all offices achieved 80% or more of the measured efficiencies and were able to sustain them over many months.

Improving service delivery is a continuous strategic imperative for the CCMA with a priority on increasing access to services. For this financial year, and based on case load statistics, two additional offices were opened in Vaal and Welkom. This has not only improved accessibility of services broadly but targeted strengthening service delivery to vulnerable users in economically distressed areas in particular.

Figure I: Five-year comparison Total Caseload



Referrals

A total of one hundred and seventy thousand six hundred and seventy three (170 673) referrals were received in this reporting period of which a total of one hundred and thirty four thousand nine hundred and forty three (134 943) cases were deemed to be jurisdictional. The case referral rate and jurisdiction cases increased by 1% and 3% respectively year on year, indicating a stabilisation of the number of referrals. This translates to an average of six hundred and eighty (680) new cases referred every working day up from six hundred and seventy nine (679) for the previous year. Non-jurisdictional cases dropped by 5%.

The office that experienced the highest growth in referral rate was East London with an increase of 22% year on year followed by both Port Elizabeth and Pietermaritzburg with an increase of 11% each. The Eastern Cape, as a region, increased by 16%. Richards Bay had the highest decline in caseload with a year on year reduction of 24%, with marginal decreases in other regions.

Pre-Conciliations

A total of twenty two thousand nine hundred and seventy one (22 971) pre-conciliations were heard an increase by 2% year on year. Most significantly the number of pre-conciliations settled constitutes an increase of 23% on last year. Most regions consistently met this target throughout the period under review.

The Ekurhuleni office achieved the highest settlement for pre-conciliations of their jurisdictional cases at 16%.

Con/Arbs

A total of fifty nine thousand one hundred and forty seven (59 147) con/arbs were heard, an increase of 10% year on year. Significantly, the number of cases finalised in one event (the primary objective of the con/arb process) increased by 12%. Total objections to the con/arb process decreased by 33% in the last financial year to 28% in this reporting period.

The Newcastle office finalised the highest number of cases (54%) in a single event. The East London office improved the finalisation of cases in one event by a notable 17%. While the uptake of the con/arb process has been relatively measured since its inception in 2002, it has nevertheless increased progressively over the last few years. The impact of the new amendments ought to see an increase of the utilisation of this process in the 2014/2015 financial year.

Conciliations

A total of two hundred and ten (210) conciliations were heard outside the statutory 30 day period – a decrease of 310% from the previous year. This includes those conciliations where the 30 day period was extended. The finalisation of conciliation cases (those that were heard and closed) improved by 2% year on year. Noteworthy is the increase in number of cases settled. Cases withdrawn and settled by the parties increased by 14% each compared to last year.

The Cape Town office achieved the highest improvement of settling cases (11%) at the conciliation phase.

Settlement rate

The actual number of cases settled increased by 9% compared to last year. The final settlement rate stands at 75%, a 2% improvement over the previous year.

The Port Elizabeth office achieved the highest settlement rate at 82%, while the region that most improved its settlement rate was East London (by 8%).

Arbitrations

A total of forty three thousand and thirty three (43 033) arbitrations were heard (an average of one hundred and seventy one (171) per day), an increase from the previous year of 1%. Arbitrations settled by the commissioner accounted for 78% (no change from the previous year), while cases withdrawn and settled by parties accounted for 19% and 3% respectively (cases withdrawn increased by 7% over the previous year). The late awards (submitted by commissioners) decreased by a noteworthy 36% and this area continues to be tightly managed nationally. Of the total seventeen thousand four hundred and ninety three (17 493) awards rendered, just eleven (11) were submitted late by commissioners and only forty five (45) were sent to the parties late (after the fourteen (14) day period). The late awards sent to parties has been reduced by a considerable 164%. The use of Heads of Argument was reduced by 2% as compared to the last report period.

Other

A total of five thousand two hundred and eighty eight (5 288) CCMA awards, a decrease of 4% from the previous year, and four thousand five hundred and fifty three (4 553) bargaining council awards were certified on the system, a decrease of 31% over the previous year.

Postponements and rework of cases were well managed in the regions as is evidenced by the reduction of 3% and 9% respectively.

Table I: Five-year comparison of Operating Efficiencies

Operational Focus	Target/Objective	2010	2011	2012	2013	2014
Pre-Conciliations Heard	Hear 10% or more of all jurisdictional referrals using the pre-conciliation process	14%	14%	16%	17%	17%
Pre-Conciliations Settled	Settle 7% or more of all jurisdictional referrals using the pre-conciliation process	6%	7%	8%	9%	11%
Con/Arbs Heard	Hear 50% or more of all jurisdictional referrals using the con/arb process	40%	42%	41%	41%	44%
Con/Arbs Finalised	Finalise 35% or more of con/arbs heard-conducted ** Changed measure in 2008 to be in jurisdictional	32%	35%	36%	36%	40%
Conciliations Heard and Closed	Close 90% or more of all conciliations heard (includes all 'con' type processes)	91%	94%	96%	96%	96%
Conciliations Heard Outside of 30 days	Statutory requirement to attempt to conduct all conciliation within 30 days	0%	0%	0%	0%	0%
Settlement rate	Settle 70% or more cases across all processes	65%	69%	72%	73%	75%
Arbitrations finalised	Finalise 90% or	91%	94%	95%	95%	95%
Late Awards (Commissioner)	Statutory requirement to issue arbitration awards within 14 days	1%	0%	0%	0%	0%
Late Awards Sent to parties	Statutory requirement to issue arbitration awards within 14 days	-	47%	7%	1%	0%
Postponements/Adjournments	Allow for maximum of 6% postponement/adjournments of all processes heard	7%	6%	5%	5%	4%
Average turn around-Conciliation (days)	Conciliation process to take place from 'activation' to 'closed' within a maximum of 30 days	27	26	24	24	24
Average turn around-Arbitration (days)	Arbitration process to take place from arbitration referral date to 'closed' within a maximum of 60 days	39	70	59	61	58

Information technology

The main achievement for 2013-2014 year was the successful implementation of the server (data centre) consolidation strategy. The CCMA managed to reduce its national server physical foot print from eighty (80) to forty (40) servers of which thirty (30) are virtual. The benefits of this to the organisation are:

- A reduction of physical infrastructure costs
- A reduction of the datacentre operating costs (power and cooling)
- Increased productivity
- Operational flexibility and responsiveness
- Improved delivery of service levels
- Reduction in the organisations carbon footprint

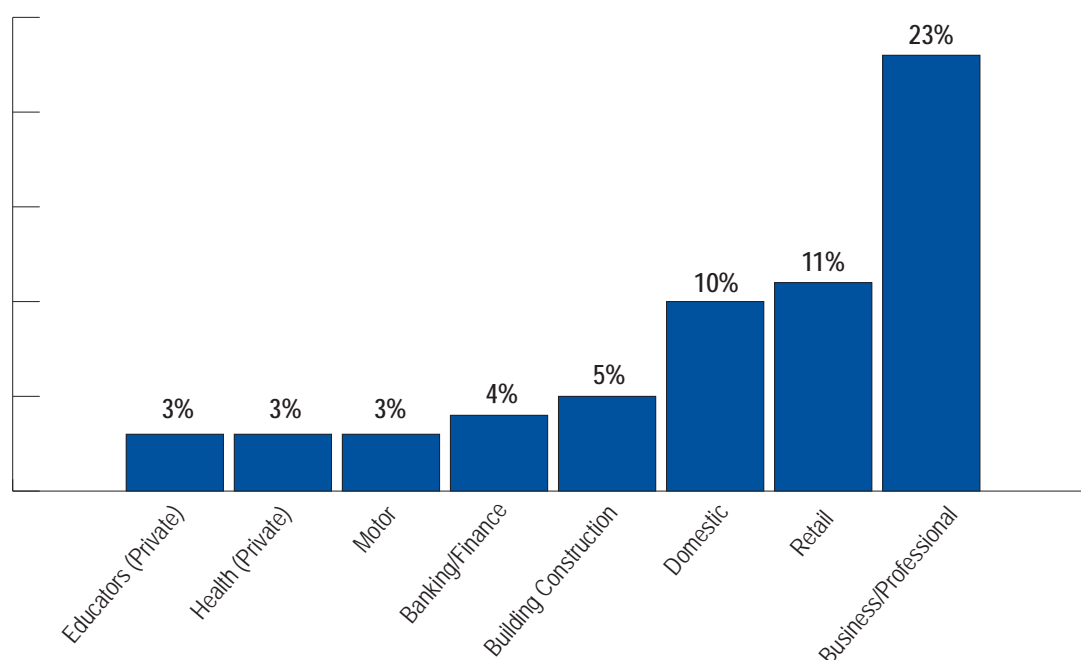
Research

The Research Unit has significantly advanced on its repositioning strategy during this reporting period. Seventeen (17) research papers were delivered mostly related to reviewing the CCMA's inner operations in order to better deliver on the organisation's mandate. Notwithstanding the internal research interventions focus, the Research Unit also participated in an external study that explored the nature of disputes and referral trends within the mining sector. This study initiated the introduction of qualitative research capacity into the Research Unit.

Call centre

The Call Centre continues to add value in terms of providing a real time query to the public. A total of one hundred and fifty five thousand three hundred and eighty four (155 384) calls were received during the reporting period (an average of 619 per day) – a decrease of 1% from the previous year. Importantly to the organisations services accessibility expansion planning 'email query' facility saw a 6% increase in usage during this reporting period.

Figure II : Calls by Sector



Targets

In the forthcoming financial year, the department plans to:

- Continue to build and strengthen partnerships by providing support and assistance to stakeholders and partners nationally, regionally and internationally
- Entrench the mandate of the LRA (social justice, economic development and labour peace) in all CCMA services and outcomes by monitoring commissioner performance and addressing non-compliance
- Improve the quality of service delivery to ensure speedy dispute resolution by ensuring that all regions meet and exceed the targets set for operational efficiencies

- Improve the accessibility of services to users across all possible platforms and entry points
- Maintain, review and improve the ICT application architecture to meet the strategic needs of the organisation
- To continue to strengthen the CCMA's ethical culture and enhance the organisation's ethics framework
- Further advance delivery of social justice by continuously improving on award quality
- To strengthen public value service delivery by enhancing the quality of commissioner output.



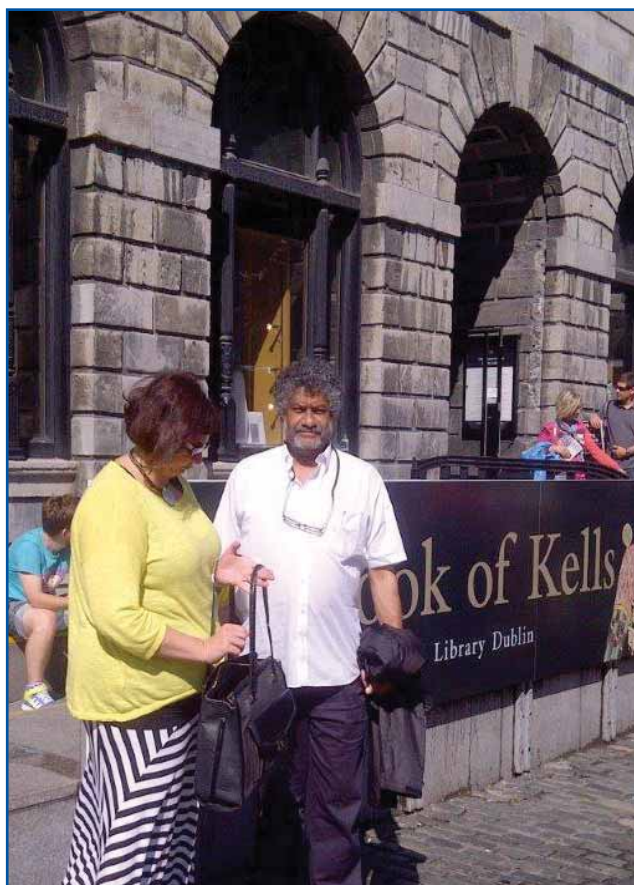
CCMA East London Office: Dispute Management and Prevention Awareness Drive in King William's Town



Klerksdorp Office: Strategic Workshop



The Post Office Strike was resolved after the CCMA's intervention. Commissioners Pheko Molefe and Samson Phomodi worked tirelessly to ensure the parties reach an agreement



CCMA Director Nerine Kahn and National Senior Commissioner for Operations Ronald Bernickow attending the International Agencies meeting in the Republic of Ireland



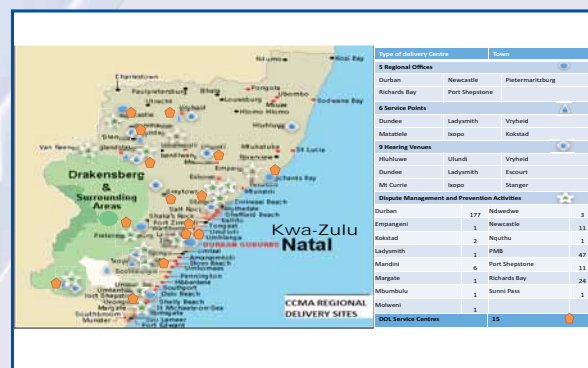
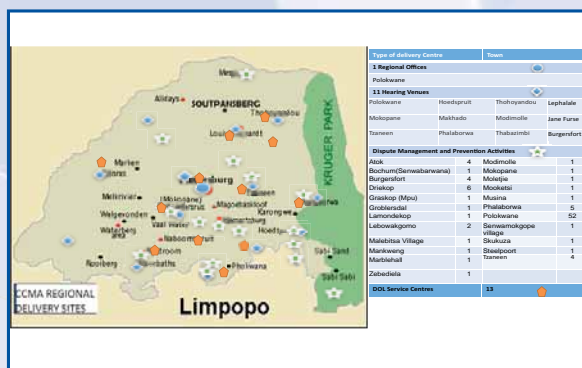
Johannesburg Office:
Delivering Services to CCMA Users

INCREASING ACCESSIBILITY

Caseload
67312
Regional
Offices 9

Caseload
110 639
Regional
Offices 11

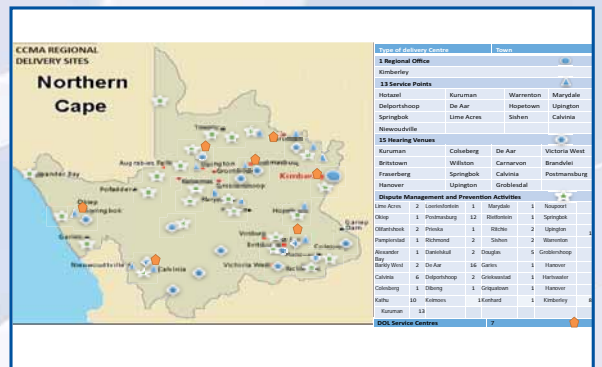
Caseload
123 472
Regional
Offices 14



TO SERVICE DELIVERY

Caseload
161 588
Regional
Offices 19

Caseload
170 673
Regional
Offices 21



Mediation and Collective Bargaining

Introduction

The primary role of the Mediation and Collective Bargaining department is to provide support and guidance for all conciliation, mediation and facilitation processes and to promote, support and assist in collective bargaining matters.

The department supports the organisational strategy by contributing to Strategic Objective 1 'Enrich the role of the CCMA in the Labour Market' and Strategic Objective 3 'Deliver excellent service rooted in social justice ensuring a balance between quality and quantity'.

Operational Performance Objectives

Mediation and Collective Bargaining's delivery is informed by the Siyaphambili Strategy to:

- Achieve settlement rates of 68% and 50% on conciliation and arbitration processes respectively
- Ensure that at least 80% of all settlement agreements concluded in processes were perused and that 99% of the settlement agreements perused complied with established quality criteria
- Make offers of assistance to parties in matters of public interest, achieving a 75% acceptance rate of offers
- Achieve a settlement rate of 60% on mutual interest disputes, including matters of public interest
- Achieve a total of 17% reinstatement and re-employment outcomes (return to work) in settlements emanating from all processes
- Ensure that 95% of all conciliation processes assessed complied with established quality criteria.



Key Performance Areas

Operating targets

Seven (7) of the nine (9) operating targets were achieved or exceeded. Results achieved for the period under review are reflected in the table below:

Table II:

Efficiency	Target	Qtr1	Qtr2	Qtr3	Qtr4	2012
Conciliation Settlement Rate	68%	74.3%	71.8%	70.7%	69.9%	67%
Mutual Interest Settlement Rate	60%	67.0%	66.4%	66.6%	68.6%	61%
Arbitration Settlement Rate	50%	51.8%	52.8%	52.7%	52.7%	51%
Section 150 Acceptance Rate	75%	98.6%	98.0%	96.9%	97.5%	95%
Section 150 Settlement Rate	60%	71.6%	80.9%	78.8%	82.1%	56%
Settlement Agreement Perusal	80%	98.2%	99.1%	100.0%	98.5%	93%
Settlement Quality Index	99%	99.6%	99.7%	99.7%	99.8%	99%
Return to Work Index	17%	16.0%	16.0%	15.0%	15.0%	15%
Conciliation Quality Index	95%	98.3%	98.5%	97.6%	98.8%	98%

The Conciliation Settlement Rate was exceeded by two percentage (2%) points, reflecting an improvement over the previous financial year. This was as a result of concerted efforts to focus on improving front end processes, which also contributed to an increase in the organisation's overall Settlement Rate.

The year witnessed a relatively calm collective bargaining season which was characterised by protected and shorter strikes. The exception to the trend was, however, the platinum sector which experienced one of the most protracted strikes in the history of the industry. Despite this challenge, the Mutual Interest Settlement rate was exceeded by more than eight (8%) percentage points. The 68.5% result achieved represented a substantial improvement over the previous financial year.

The 75% target for acceptance of offers made in terms of section 150 was exceeded, with 97.5% of the two hundred and thirty-seven (237) offers made in public interest matters being accepted, again confirming the high level of confidence of the labour market in the organisation's ability to resolve disputes. Activity in this area was comparable to the previous financial year. The 60% target for resolution of these disputes was substantially exceeded with 85.3% of the disputes resolved. This represented a significant turn-around from the previous financial year.

The Arbitration Settlement rate target of 50% was exceeded. The continued focus to explore options for settlement prior to arbitration commencing, resulted in 52.7% of arbitrations being settled.

The target for Settlement Agreement Perusal was exceeded reflecting that the practice of perusing settlement agreements for quality is now firmly entrenched. Seventy six thousand one hundred and forty-seven (76 147) settlement agreements were perused during the period under review, representing 98.5% of all agreements generated.

The target for the Settlement Quality Index was achieved with 99.8% of the agreements perused found to be compliant with established quality criteria.

The target to achieve 17% reinstatement and re-employment (Return to Work) outcomes in settlement was not achieved. Only 15% of all settlement agreements outcomes reflected reinstatement or re-employment. This result was consistent with the previous year but is still regarded as low with more effort required to promote this as the primary remedy for unfair dismissal in settlements. A campaign to raise awareness, both internally and externally, in this regard was implemented in the latter part of the year. The results, however, did not manifest in the period under review but can be expected to do so in the future.

The Conciliation Quality Index, which was introduced in the previous financial year, has now been firmly entrenched to improve process quality and integrity through direct observation and assessment of conciliation processes. The target of 95% was exceeded with 98.8% of all conciliation processes assessed found to be compliant with established process quality criteria.



The operational targets discussed above are the aggregated results of the twelve (12) regions of the organisation. Targets are weighted per region and performance determined on an overall weighted average basis across all targets. For the period under review eleven (11) of the twelve (12) regions performed above an acceptable level reflecting an improvement over the previous financial year.



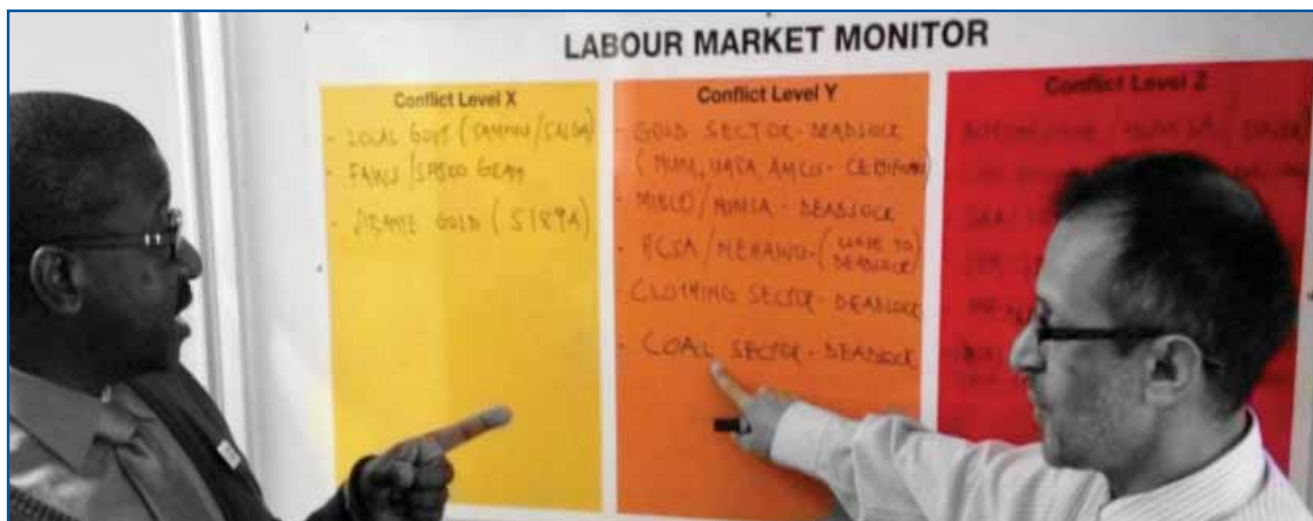
Mediation Commissioners Planning Workshop

Labour Market Monitoring

In order to facilitate the monitoring developments in the labour market, the innovative Labour Market Monitoring Tool was developed and implemented. The tool provides a structured approach to monitoring the regional labour market, which in turn informs an intervention strategy that balances proactive and reactive measures available through a focused and synergistic collaboration between Mediation and Collective Bargaining and Dispute Management and Prevention to ensure that regions respond effectively to unfolding labour market developments.

Significant labour market developments such as wage negotiations, impending strikes and strikes in process are grouped together according to their estimated level of conflict and recorded on a chart to produce a snapshot view of the regional labour market. Three (3) levels of conflict are identified on a tri-colour chart, namely Conflict Level X, Conflict Level Y and Conflict Level Z; representing latent, escalating and manifesting conflict from left to right respectively.

Information on significant labour market developments is physically recorded on the chart under one of the three conflict bands allowing for a snapshot/big picture view of the regional labour market at a glance.



**CCMA Senior Commissioners – Mediation and Collective Bargaining:
Mlamuli Makhubo in discussion with Haroun Docrat**

Collective Bargaining Improvement Process

A key challenge facing collective bargaining is the general failure of negotiating parties to draw learnings from successive bargaining rounds and to take appropriate action. To this end, the Collective Bargaining Improvement Process was in the National Bargaining Council for the Civil Engineering Sector (NBBCEI) in the last quarter of the financial year. This innovative process seeks to address the collective bargaining challenge by bringing about positive change in bargaining conduct by providing a structured approach to analysing individual wage negotiations. The objective is to increase effectiveness of negotiations by identifying elements that impact on the negotiations and develop and implement action plans to address them prior to the commencement of the next bargaining round.



**The First Ever Collective Bargaining Improvement Process (CBIP) at the
National Bargaining Council for the Civil Engineering Industry (NBBCEI)**

Collective Bargaining

The 2013 collective bargaining season was generally characterised by relatively short yet relatively peaceful strikes. As the season progressed, the mining industry took centre stage culminating in protracted industrial action in the Platinum sector.

Below is a summary of selected significant highlights:

National Union of Mineworkers (NUM) and Northam Platinum Mine

The CCMA extended an offer of assistance to the parties following an unresolved mutual interest dispute. Several meetings were convened and after a prolonged period of industrial action the dispute was resolved on 21 January 2014. A two-year agreement was concluded with a 9% increase accompanied by an ex gratia payment of R3,000.

National Union of Mineworkers (NUM) and Exaro Coal

The CCMA successfully conciliated the wage dispute between NUM and Exaro Coal, resulting in a two-year agreement with a 10% increase in the first year and CPI plus 1% for the second year.



Signing of the Agreement between NUM and Exxaro Coal, Thanks to a Steering Effort by Commissioner Marleze (not pictured) and Commissioner Morwa Setlago (far right)

Platinum Sector – AMCU and Lonmin, Amplats, Implats

Wage negotiations were conducted between AMCU and the respective Platinum producers between November and December 2013. Each of these resulted in deadlocks. Notices to embark on industrial action were served on Platinum producers in the week of 13 January 2014, and industrial action commenced on 21 January 2014. Following a meeting of the parties convened by the Ministers of Labour and Mineral Energy and Resources, a CCMA facilitated process to attempt to resolve the dispute commenced on the 24 January 2014. Several meetings were convened jointly and in separate caucuses in an effort to break the impasse, but the matter was not resolved in the period under review. The CCMA remained committed to assisting the parties in an effort to find a mediated solution.

Bokoni Platinum Mine Verification Exercise

A verification exercise was conducted at Bokoni Platinum Mine in Limpopo between June and July 2013. The exercise represented a significant development as it involved verifying the representativeness of five (5) trade unions namely, NUM, AMCU, GIWUSA, TAWUSA and UASA. Commissioners from four (4) regions were deployed to undertake this exercise. The process was a resounding success and the commissioners report was accepted by all parties.

Glass Sector Process

The CCMA facilitated a working group comprising business and labour to address industry sustainability in the glass manufacturing sector. The purpose of the working group is to address growth, competitiveness and long term sustainability of the sector with a specific focus on the protection of existing jobs and the creation of new jobs. The working group has sought to address this by focussing on trade and tariffs, energy costs (electricity and gas), local procurement including designation of the sector, competition and productivity. Significant progress has been made and the process is ongoing at the time of writing.

National Bargaining Council for the Road Freight and Logistics Industry Process

The CCMA facilitated a task team that was established to deal with outstanding issues that arose from the settlement of the 2012 strike in the Road Freight and Logistics Industry. Significant progress has been made and the process is ongoing at the time of writing.

Hospitality

Following a settlement agreement between SACCAWU and Sun International in December 2012, it was agreed that a task team would be established to deal with third tier negotiations. Several meetings facilitated by the CCMA resulted in a landmark agreement that would effectively phase in as employees, workers employed by labour brokers and services that were outsourced. This is a significant achievement in lieu of the proposed changes to the LRA.

Conclusion

The department enjoyed a reasonably successful year, but its achievements were overshadowed by the unprecedented protracted industrial action in the Platinum Belt. It is submitted that this dispute was characterised by complexities and factors beyond the organisation's control. It is widely accepted that the dispute, arguably a sequel to the Marikana matter, had more to do with socio-economic frustration that found manifestation in an already conflict laden employment relationship. This will impact the organisation going forward as applying labour solutions to address socio-economic problems is clearly not sustainable. In addition, the situation was exacerbated by the intervention and criticism of interested parties. The department (and the organisation as a whole) has an impressive track record; and this must be acknowledged by the public at large by allowing the organisation to fulfil its mandate without interference.

Introduction

Capacity Building and Outreach includes the Education and Training Department (ETD), the Training Development Unit (TDU), the Employment Security Unit (ESU) and the Dispute Management and Prevention Department. Due to the divergent areas of focus and diverse functions of these departments, each has Siyaphambili Strategy objectives requiring distinct reporting

The Dispute Management and Prevention (DM&P) department offers a wide range of outreach services to CCMA users and social partners nationally. The main focus of the department is capacity building, information sharing, awareness raising and problem solving. Its main objective is effective and proactive management of conflict and disputes from workplaces to CCMA hearing rooms.

The promotion of employment security is part of the CCMA's strategic objective to enrich the role of the CCMA in the labour market. Persistently high numbers of dismissals due to operational requirements confirm the need for the establishment of a dedicated Employment Security Unit (ESU) at national level. The ESU brings together all the CCMA's activities related to employment security, operational requirements dismissals and the Training Layoff Scheme.

The Education and Training Department (ETD) is responsible for all capacity building internal to the CCMA. This includes the development of a workplace skills plan, skills audits, Skills Development Act reporting and the delivery of training interventions in line with the CCMA's strategic objective to build skills to achieve professionalism.

The primary purpose of the Training Development Unit (TDU) is to design and develop training materials and courses for the CCMA's capacity building and qualifications development activities.



Dispute Management and Prevention

Operational Performance Objectives

The Dispute Management and Prevention department's delivery is informed by Siyaphambili Strategy to:

- Play a leading and dynamic role in the facilitation of social dialogue and economic development of identified labour market issues related to the CCMA's mandate, locally and internationally.
- Conduct User and Stakeholder empowerment and capacity building initiatives.
- Contribute towards the promotion of employment security.
- Contribute to the transformation of workplace relations with a view to embedding economic development, industrial peace and the promotion of social justice.
- Promote user compliance and the removal of social justice blockages in the CCMA's dispute resolution processes.

Key Performance Areas

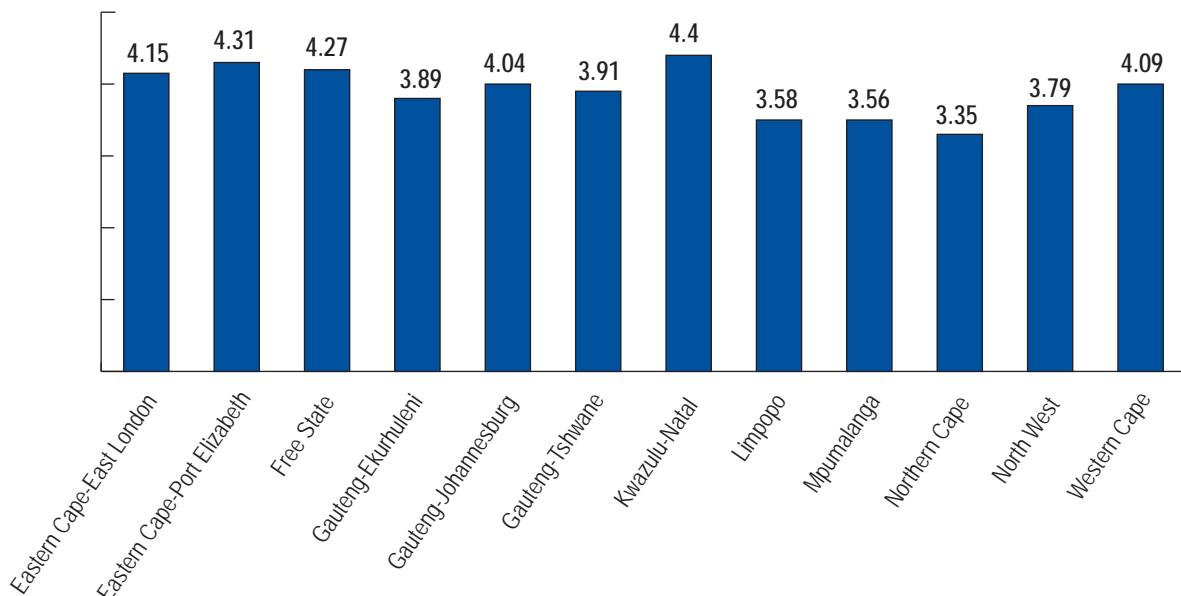
As a result of the fractious and dynamic labour market environment greater emphasis has been placed on the CCMA outreach work and in particular, on engaging with workplace relations and factors underpinning the increased complexity of labour disputes. Consequently in this reporting period a total of one thousand eight hundred and sixty two (1 862) activities were held nationally with a priority placed on rural and vulnerable sectors.

Table III: Number of activities delivered under each KPA and the overall quality performance rating

Delivery by Key Performance Area (KPA)	No. of activities delivered	Rating
The CCMA plays a leading and dynamic role in the facilitation of social dialogue and economic development of identified labour market issues related to the CCMA's mandate, locally and internationally.	237	4.10
Conducts User and Stakeholder empowerment and capacity building initiatives.	893	3.93
Contributes towards the promotion of employment security.	245	3.87
Contributes to the transformation of workplace relations with a view to embedding economic development, industrial peace and the promotion of social justice.	205	3.83
Promotes user compliance and the removal of social justice blockages in the CCMA's dispute resolution processes.	282	4.00
TOTAL	1 862	3.95

A strategic highlight for the year under review was all twelve CCMA regions having met or exceeded their targeted performance rating with six regions having significantly exceeded the set target.

Figure III: Dispute Management Prevention Regional Performance



Activities conducted ranged from user and sector forum meetings, summits, stakeholder and social partner events, radio talk shows, roadshows, izimbizo meetings, best practice workshops, short session presentations, breakfast and labour law seminars, facilitated building workplace relations exercises, managing conflict in the workplace training and capacity building on dealing with unfair discrimination in the workplace.



CCMA / ILO: Panellists who Participated in a Discussion at the Decent Work Contract Cleaning Sector Summit on the Topic: “Achieving Decent Work in the Contract Cleaning Sector: Pipe Dream or Feasible Objective?”

A new and important development linked to the CCMA's workplace transformation focus was the establishment of a decent work initiative, which stands to be a central aspect to the CCMA future workplace transformation focus. This initiative began with a facilitated two-day Sector Summit for trade unions and employers in the Contract Cleaning Sector convened by the CCMA Johannesburg office, in collaboration with the International Labour Organisation (ILO). The Summit was attended by over hundred and twenty (120) representatives of employers, unions and other key stakeholders, including the clients of temporary employment services, Department of Labour, Services SETA and CCMA representatives from across the country. The summit culminated in resolutions that promote fundamental employment related changes in the sector. This intervention constituted the first stage of a broader CCMA decent work initiative.

The most impactful intervention conducted for this reporting period was the pioneering development and delivery of a CCMA/SABC awareness raising campaign targeting vulnerable workers entitled 'Know Your Rights'. For the first time, the CCMA entered into a partnership with the SABC, involving twelve (12) SABC radio stations and a thirteen (13) episode series running from November 2013 to March 2014.

The following are the radio stations, languages, provinces and listenership of the different radio stations involved in the programme:

Table IV: Total Listenership by Radio Stations

Radio Station	Language	Province	Listenership
Motsweding FM	Setswana	North West	3 146 000
Ligwalagwala FM	iSiSwati	Mpumalanga	1 304 000
Ikwekwezi FM	isiNdebele	Mpumalanga	1 591 000
Phalaphala FM	Tshivenda	Limpopo	808 000
Munghana Lonene FM	Xitsonga	Limpopo	1 186 000
Thobela FM	Sepedi	Limpopo	2 911 000
Lesedi FM	Sesotho	Free State	3 774 000
Ukhozi FM	isiZulu	Kwazulu Natal	7 122 000
uMhlobo Wenene	isiXhosa	Eastern Cape	4 169 000
Tru—FM	English/IsiXhosa	Eastern Cape	252 000
X-K FM	Xu and Khwe /Afrikaans	Northern Cape	7 000
RSG FM	Afrikaans	Western Cape	1 845 000

The CCMA-SABC Radio Education Programme reached out to approximately twenty eight million one hundred and fifteen thousand (28 115 000) potential listeners across the length and breadth of South Africa.

Targets

The department's Operational Plan and Generic Calendar have been aligned with the Treasury requirement for quarterly planning and reporting. This reporting cycle resonates well with the nature of the work delivered by the DM&P function, when compared to the monthly reporting cycle.

The DM&P department's focus for the final year of the Siyaphambili strategy will be on the consolidation and full delivery of all projects and initiatives linked to annual targets. This includes taking key initiatives forwards and in particular the workplace transformation focus with the decent work initiative as a key component.



CCMA George Office: Outreach Programme at the George Taxi Rank

Employment Security Unit

Operational Performance Objectives

CCMA's Employment Security Strategy involves a holistic approach to dealing with any job and employment insecurity situation. This includes:

- Thorough examination of the rationale for retrenchment
- Exploration of alternatives to retrenchment, including the Training Layoff Scheme (TLS)
- Partnering with other institutions to find viable solutions to business distress and to assist retrenched workers to access support and survival services
- Delivery of the CCMA role in the NEDLAC TLS and engagement with other role-players in this regard
- Capacity-building of commissioners and users
- Development of early warning systems and a new early intervention service.

Key Performance Areas

Promotion of employment security

The focus over the last year has been to put in place the basic capacity needed to implement the recommendations of the Employment Promotion Project (EPP) research on *"Analysis of the ongoing value of the CCMA's Job Saving Strategy, Business Recovery and Training Layoff Scheme"* in line with the strategy and operational plans, and to ensure consistent practice across all regions in the manner that section 189A matters are managed and conducted.

The Employment Security Unit (ESU) presentations to the CCMA Western Cape Job Saving Seminar, to South African Society for Labour Law (SASLAW) on "Preparing your client for a section 189A process-Not just a tick-box approach" and the ESU hosted round table discussion on "Reaching the full potential of the holistic approach" generated thinking that formed the basis of the plans for the year ahead.

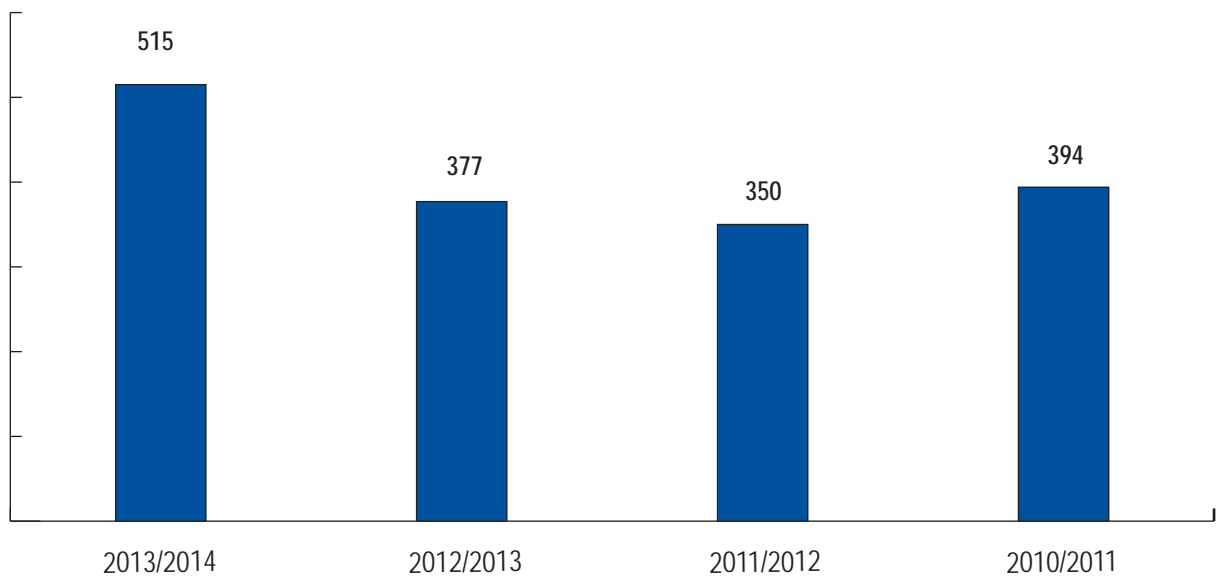
Operational requirements dismissals

Large-scale retrenchment referrals

Large-scale retrenchments show a considerable increase in section 189A referrals of approximately 38%, with 515 section 189A matters for the year 2013/14 compared with the last reporting period. This demonstrates the need to improve commissioner capacity to deal with these matters and plans are in place for commissioner and user capacity building in the year ahead.

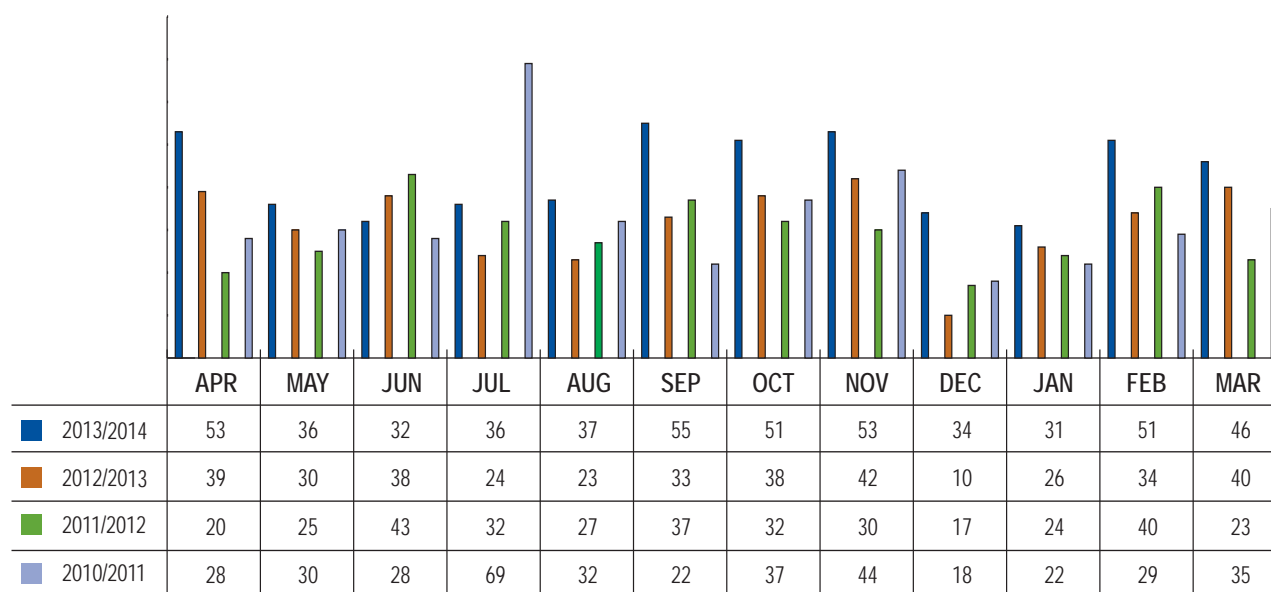
The high number of referrals reflects continued job loss. However, the significant increase also indicates growing faith by users in the CCMA section 189A facilitation process.

Figure IV: Section 189A Facilitation Four-Year Comparison



Representatives of Modikwa Platinum Mine Management and the leadership of the NUM and UASA who participated in a Building Workplace Relations (BWR) intervention facilitated by Commissioners Glen Cormack and Abdool Osman in the Limpopo Region

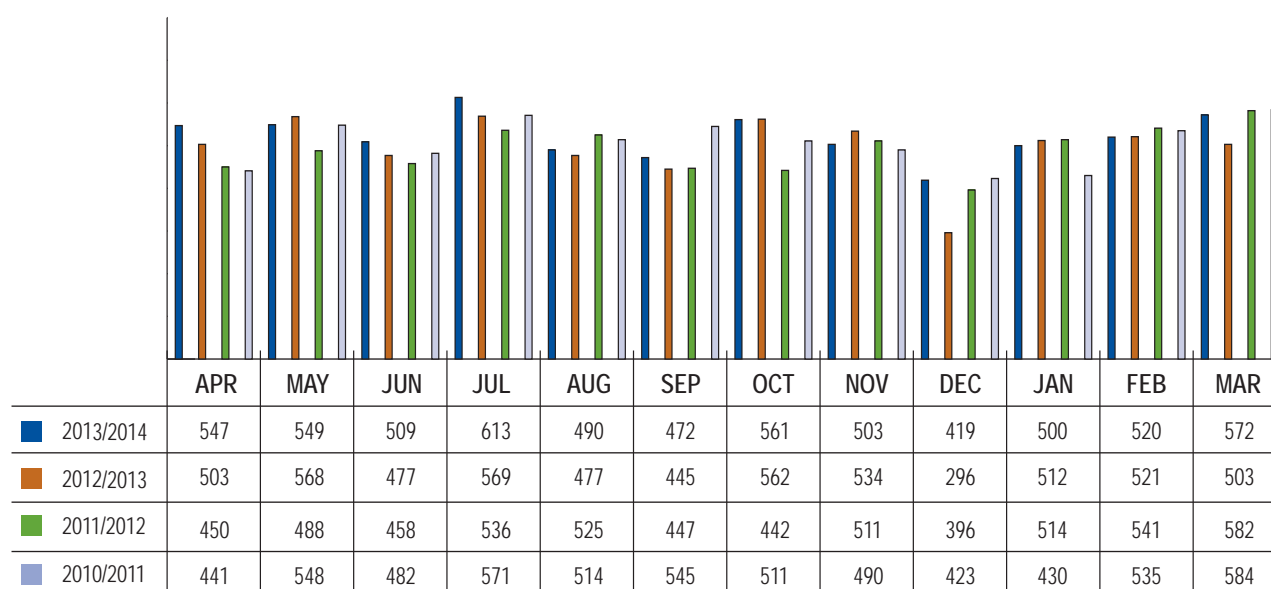
Figure V: S189 A Referrals Comparison by Month



Small-scale retrenchment referrals

There was a 4.8% increase in the number of section 189 referrals year-to-date with 6 255 from April 2013 to March 2014 compared with 5 967 for the same period last year.

Figure VI: S189 Referrals month on month



Job Saving

Statistics from the regions on the numbers of jobs saved in section 189A processes remain high although it is recognised that employers may overstate the number of employees likely to be retrenched in the s189A referral forms. Accuracy of job saving statistics should improve with upgrades to the Case Management System and when the new LRA forms are implemented.

The ESU is in the process of completing a research project on Measuring The Financial Impact Of The CCMA's Job-Saving Initiatives On The South African Economy conducted by the Development Policy Research Unit (DPRU) of the University of Cape Town. Provisional results show that the CCMA's job-saving efforts in dealing with section 189 small-scale and section 189A large-scale retrenchments alone ***“serve to generate a financial impact to the economy which is estimated to be anywhere between 8 to 14 times the annual expenditure of the CCMA in any given year”***.

Table V:

Month	Employees likely to be affected	Retrenchments			Jobs Saved
		Total	Forced	Voluntary	
April	8 448	3 768	2 753	1 015	4 458
May	5 366	2 947	2 840	107	2 320
June	2 207	844	561	283	1 357
1st Quarter Total	16 021	7 559	6 154	1 405	8 135
July	2 662	754	500	254	1 908
August	17 947	2 228	1 894	334	15 271
September	3 912	1 017	861	156	2 895
2nd Quarter Total	24 521	3 999	3 255	744	20 074
October	2 962	1 642	1 459	183	893
November	3 237	865	778	87	828
December	15 147	771	602	163	1 317
3rd Quarter Total	21 346	3 278	2 839	433	3 038
January	2 067	468	389	79	477
February	7 143	256	134	122	1 960
March	3 885	94	94	0	10
4th Quarter Total	13 095	818	617	201	2 447
TOTAL	74 983	15 654	12 865	2 783	33 694



More than 100 representatives gathered for a CCMA section 189A facilitation processes in the Anglo America Platinum retrenchment consultation.

The CCMA spent considerable resources in the Anglo American Platinum facilitation process conducted over several months. The company had indicated at the beginning of 2013 that some twenty three thousand (23 000) jobs were affected by its planned restructuring and fourteen thousand (14 000) employees would be retrenched. The process involved consultations with four trade unions – NUM, AMCU, NUMSA, UASA – and a delegation of non-unionised employees. Following an intervention by the Department of Minerals and Energy, three Senior CCMA Commissioners facilitated the matter in a process involving more than one hundred (100) representatives. The end result was that about four thousand (4 000) workers were retrenched on the agreed voluntary severance package and there were no forced retrenchments.

Partnerships

The ESU continues to build partnerships with government departments and institutions which are able to assist in relieving business distress and providing support and survival mechanisms to retrenched workers. The CCMA concluded a MOU with Productivity SA on ways to co-operate and share expertise. This includes advising Productivity SA of recommended TLS applications to encourage businesses in distress to embark on business turnaround processes whilst the training is being delivered.

ESU also engaged with the Office of the President, the Department of Economic Development, the Department of Labour and the Unemployment Insurance Fund – primarily regarding ways to improve delivery of the Training Layoff Scheme.

The NEDLAC Training Layoff Scheme (TLS)

Take-up for participation in the TLS dropped significantly to 42 from 55 in the previous year. Regrettably, this is a reflection of loss of confidence in the Scheme due to delays after the CCMA stage in delivery of the training. The CCMA has participated in a review of the TLS initiated by the Department of Economic Development. It is intended that recommendations arising from this meeting on ways to improve delivery of the TLS and role-player co-operation. By the time of the EDD-initiated TLS Review, the ESU had reported to the CCMA Governing Body on the status of the TLS, in particular:

- Delays in delivery at the post-CCMA stage
- Loss of confidence in the TLS by users and Commissioners
- Potential reputational damage to the CCMA as a promoter of the TLS
- Concerns about the multi-partner design of the Scheme and poor information flow between role-players
- Concerns about delays in approval for participation due to apparent non-compliance with statutory Obligations, particularly UIF declarations
- Closure of businesses and loss of jobs due to delays in delivery of the TLS

The CCMA Governing Body has decided that the matter must be referred back to NEDLAC for review and that in the interim, the CCMA should not actively promote the Scheme due to the prevailing lengthy delays. However, the CCMA continues to process cases of parties that wish to participate in the TLS and continue to try to address blockages at the post-CCMA stage.

The most significant TLS intervention during 2013/2014 was undoubtedly that of Mercedes Benz SA and 10 service provider companies in the East London region, affecting 2 370 workers. The CCMA remains convinced that the concept of the TLS is sound and it has proved a valuable mechanism to save jobs and assist businesses in distress to turn around. There is an urgent need to redesign the TLS to avoid delays and/or to design an alternative job saving mechanism.

Overall the following progress has been made with the implementation of the TLS (as from 1 April 2013 to 31 March 2014):

Table VI: TLS Implementation

Stage of TL process	Activity	Number of cases	Number of affected workers
Training	Training completed.	0	0
Training	TL approved by the Project Evaluation Committee (PEC) and training in progress with respective SETA.	3	1 615
SETA and NSF/UIF	TL at the stage of being processed by the SETA involved and NSF/UIF.	27	4 105
CCMA Advisory Committee	TL at the stage of being evaluated by the CCMA Advisory Committee for eligibility.	1	9
	Total cases currently in the TL process	31	5 729
Deferred by CCMA Advisory Committee	Cases deferred by the CCMA Advisory Committee.	1	72
Not recommended	Cases not recommended by the CCMA Advisory Committee.	10	603
Withdrawn	Cases that entered the TLS system but were subsequently withdrawn by the parties involved.	0	0
Liquidated	Companies that were liquidated or in the process of liquidation subsequent to submitting TL requests	0	0
Declined by PEC	Companies that were recommended by the CCMA Advisory Committee but declined by the Project Evaluation Committee	0	0
	Total cases processed	42	6 404

Targets

The establishment of the ESU is well advanced with future plans in 2014/2015 to establish a “national footprint” which will involve regional visits to all CCMA Regions to engage on all matters relating to employment security, in particular section 189A facilitation processes and ensuring consistent reporting and processing procedures. Capacity building training on section 189A facilitations is planned for commissioners and users to equip them to deal with these challenging processes.



Delegates attended a Job Saving Seminar organised by the Western Cape Region DM&P Team to promote the CCMA Job Saving Strategy and the Training Layoff Scheme.

The Education and Training Department

Operational Performance Objective

The Education and Training Department delivery is informed by Siyaphambili Strategy by developing and delivering effective human capital training to align with the needs of the organisation. In pursuit of this objective, six (6) strategic priorities were identified. They are:

- Candidate Commissioner Training
- Diversity Awareness Raising
- Promotion of CCMA Values
- Soft skills and specialist training
- Management Capacity Building Initiatives
- Women's Empowerment and Development.

Key Performance Areas

Candidate Commissioner Training

Fifty-three (53) Governing Body (GB) appointed learners and eighteen (18) administrative staff attended the training. Of the total number of seventy one (71) candidates who attended the training, sixty six (66) candidates (92%) were successful.

Induction and Social Justice Modules were added to the 2013 candidate commissioner training. These modules facilitated a better understanding of the CCMA environment and social justice principles as embodied in the mission of this organisation.

Diversity Awareness Raising

Diversity awareness had two aspects namely diversity awareness raising workshops and unfair discrimination workshops. A total of three hundred and ninety two (392) full-time CCMA employees participated in the diversity awareness raising workshops. Three hundred and thirty two (332) staff members attended the unfair discrimination workshops.

CCMA Values Awareness Raising Campaign

A dynamic, multi-platform CCMA values awareness campaign was launched in all CCMA offices. Phase 1 of the campaign focused staff's attention on strengthening the organisations values into all aspects of the CCMA work. This phase of the project was very successful as evidenced by the findings from the impact assessment that was conducted with fourteen (14) managers indicating significant improvement in the practical application of CCMA values.

Soft Skills and Specialist Training

A total of twenty nine (29) soft skills and specialist training interventions were delivered. These included:

Intervention	No of staff enrolled
Microsoft E-learning	151 employees
Induction E-learning	122 employees
Persuasion Skills Course	298 employees
Conciliation of Unfair Discrimination Cases	14 commissioners

Management Capacity Building Initiatives

A total of six (6) management capacity building interventions were delivered. These included:

Intervention	Equity Details								Total
	African		Coloured		Indian		White		
	M	F	M	F	M	F	M	F	
Managing Workplace Discipline	5	13		6		3		1	28
Finance for Non-Financial Managers	2	8		2		1			13
Women's Development and Empowerment Programme		21		4		2		3	30
Management Development Programme for Registrars		5	1	3		2		2	13
Coaching and Mentoring for Executives	4	3	1			1	1		10
High Performing People Skills for Leaders (London School of Economics)	2		1		1			1	5
Total	13	50	3	15	1	9	1	7	99

Women's Empowerment and Development

Thirty (30) female employees in middle and senior management positions participated in a *Management and Development Leadership Skills for Women* course, while five (5) female employees at various levels in the organisation participated in the *Power Speaking and Pronunciation* training.

Personal Development Planning

The department worked closely with HR and line managers to ensure that the performance management cycles included a review of learning maps and the completion of personal development plans. Significant progress have been made in this area.

Bursary and Study Loans

Forty-one (41) bursaries worth six hundred and twenty seven thousand eight hundred and ninety rand nineteen cents (R627,890.19) and three (3) study loan applications worth forty thousand and three hundred Rand (R40,300.00) were awarded.

Targets

The next year as the final year of the Siyaphambili strategy will focus on further advancement and consolidation of the year under review's capacity building and awareness raising activities. This includes implementing phase two of the CCMA Value awareness raising project and promoting the e-learning culture within the organisation.

The Training Development Unit

Operational Performance Objectives

The Training and Development Unit delivery is informed by Siyaphambili Strategy to build skills to achieve professionalism by:

- Ensuring the development and delivery of a Labour Dispute Resolution Practice qualification
- Design and development of training materials and courses to ensure continuous professional development
- To ensure continuous research and development of effective adult-based training methodology and techniques
- Development and updating of assessment and mentoring method.

Key Performance Areas

Labour Dispute Resolution Practice Qualification

In order to promote quality skills development and enhance accessibility, the ground breaking CCMA/Public University Qualification Delivery Project is developing and delivering a Labour Dispute Resolution Practice qualification. Memoranda of Agreement were concluded with five universities for the development and delivery of the Labour Dispute Resolution Practice qualification. Three of these universities, (Nelson Mandela Metropolitan University, WITS and Stellenbosch University) commenced with the delivery of the course in the first term (for more details on this CCMA ground breaking initiative please refer to the Director's Special Projects).

Design and development of training materials and courses to ensure continuous professional development

All candidate commissioner training modules were updated before and after the 2013 candidate commissioner training programme. The latter updates were in response to the outcomes of user surveys and for purposes of delivery to the participating universities in the Labour Dispute Resolution Practice (LDRP) qualification.

A number of new projects were delivered primarily related to the labour law amendments with a focus on diversity and unfair discrimination awareness raising within the CCMA workplace context.

Table IX: New Training Material Developed

	Course
1.	Capacity Building for the Management and Processing of Unfair Discrimination Disputes – case management officers and interpreters
2.	Managing Workplace Discipline and Incapacity for CCMA Managers
3.	Diversity Awareness Raising and Sensitisation within the CCMA Context
4.	Unfair Discrimination - Rights and Responsibilities within the CCMA context (follow-on to the <i>Diversity Awareness Raising and Sensitisation within the CCMA Context</i> workshop)
5.	Statutory Labour Law Amendments workshops
6.	Preparation for and Representation of Parties at Arbitration Hearings
7.	Capacity Building for the Arbitration of Unfair Discrimination Disputes



Senior Commissioner Kaizer Thibedi facilitating a Building Workplace Relations (BWR) intervention for Sun City's Management and the SACCAWU leadership.

Table X: Training Course Material in Process of Development for Delivery 2014/2015

Course
Unfair Discrimination and Diversity Awareness Training for CCMA Users
Statutory Labour Law Amendments Resource Guide
Essential Services
English for CCMA Commissioners

Ensuring continuous research and development of effective adult-based training methodology and techniques

Research on effective adult-based training methodology and techniques, including e-learning, was incorporated into a *Resources for Facilitators and Material Developers* document and into the *Guidelines for Facilitating Adult-based Learning at the CCMA*. The Training Development Unit (TDU) actively sought to integrate this learning into identified existing and new training material.

Development and updating of assessment and mentoring methods

A post-mentorship monitoring and support structure for new Commissioners was developed for the purpose of introducing a formal extended mentorship process for those candidates who need additional mentoring before they can conduct processes and draft awards and rulings on their own. This forms part of the CCMA's efforts to improve on the quality of its processes, awards and rulings.



Eastern Cape Region: Joint CCMA and DoL Farm Seminar held in Cradock

Table XI: Summary of Assessment Development During 2013/2014

Type of Assessment	Quantity Developed
Summative assessments (main and supplementary exams) for the candidate commissioners training programme	14
Formative (portfolios of evidence and assignments) assessments for the commissioners training	7
Commissioners recruitment assessments	7

Targets

A review of the delivery of the Labour Dispute Practice Qsualification by identified universities to ensure that the course meets Industry standards and that the MOA has been complied with

- Improve the quality of English writing skills amongst commissioners
- Ensure that relevant training material has been developed on the statutory labour law amendments
- Incorporate the amendments into identified existing training modules
- Continue the process of enhancing the quality of the training material by including identified adult-based training methodology and techniques.

Conclusion

Capacity Building and Outreach had a successful year hallmarked by high impact campaigns and innovative programmes. Not only have the departments succeeded in meeting or exceeding their core targets for 2013/2014, but have forged strategic collaborative relationships with internal and external stakeholders. Capacity Building and Outreach continues to make a significant contribution to meeting the strategic goals of the CCMA and is gearing up to further increase its impact within the labour market in the next five-year strategic period.



Western Cape Region: Farmworkers Outreach Programme

Introduction

Legal Services consists of five (5) departments namely Litigation and Contracts, Arbitration and Post-hearing, Councils and Agencies, Employment Laws Amendments and Employment Equity Amendments. Additionally Legal Services provides secretariat support services to the Essential Services Committee.

Litigation and Contracts Department provides legal advice and support to the CCMA. This department is tasked with instituting and defending litigation for and against the CCMA, as well ensuring that all contracts entered into are compliant with relevant legislation, treasury regulations and policy.

Arbitration and Post-hearing Department supports and assists organisational best practice by ensuring CCMA commissioners are kept abreast of jurisprudential developments as well as to update the Practice and Procedure Manual, the Case Law Monitor for Commissioners and distribute Practice Notes. Members of the Department participate in annual law conferences, case law monitor sessions and other information sharing workshops.

Councils and Agencies Department is tasked with the accreditation and maintenance of accredited bargaining and statutory councils and private agencies. This entails ongoing support and assistance in meeting the seven accreditation criteria and in particular data integrity around performance efficiencies. This department also certifies arbitration awards from Bargaining Councils through Section 143. In addition, this department is tasked with paying subsidies to accredited Bargaining Councils and accredited Statutory Councils.

Employment Law Amendments Department is dedicated to ensure that all commissioners and users are prepared for and kept abreast of all Employment Law Amendments. In addition, this department offers support to the CCMA as an Employer in preparation of the anticipated amendments to the Employment Laws.

Employment Equity Amendments Department was established in response to the envisaged amendments to the Employment Equity Act. The CCMA will, once the amended Employment Equity Act has been promulgated, have jurisdiction to arbitrate these matters. The role of this department is therefore central to ensuring commissioners interpret and apply the employment equity amendments and its related regulations, consistently and in line with their spirit.

Operational Performance Objectives

Legal Services' delivery is informed by the Siyaphambili Strategy by:

- Enhancing the quality and effectiveness of dispute resolution under the auspices of the Bargaining Councils and Private Agencies
- Participating in the process of amending CCMA relevant Employment Law and policy development
- Entrenching the mandate of the LRA (social justice, economic development and labour peace) in all CCMA services and outcomes.



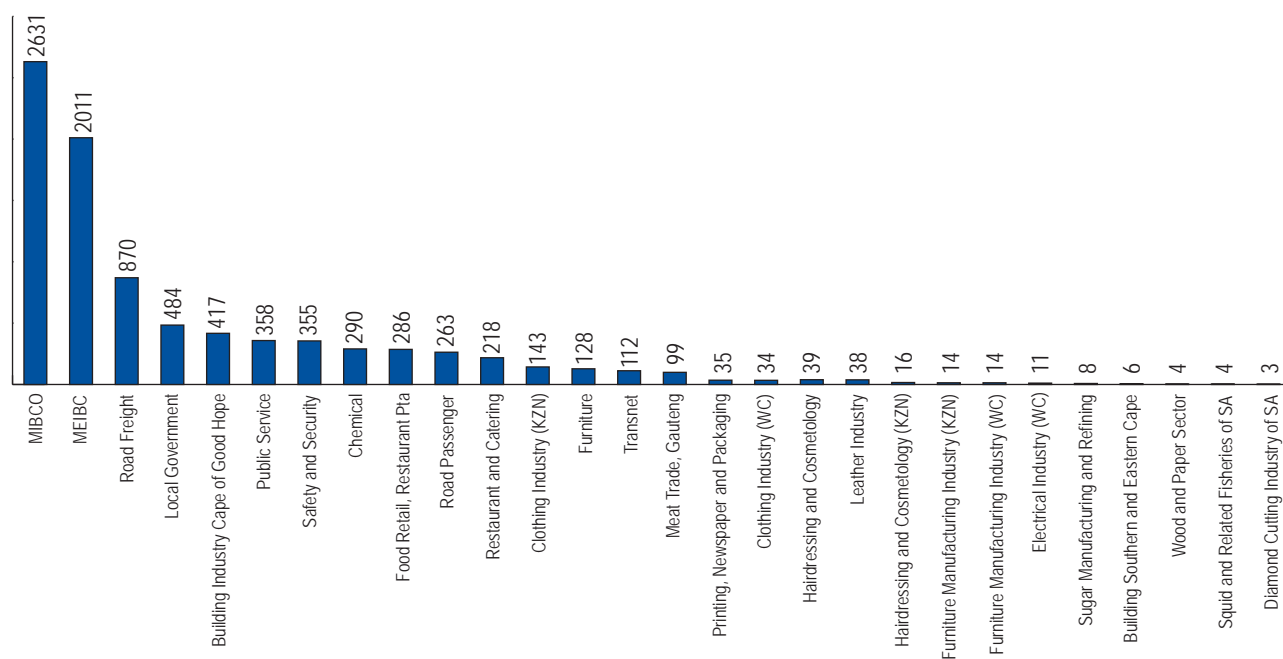
National Senior Commissioner:
Legal Services
Cameron Morajane

Key Performance Areas

The first objective of the Siyaphambili Strategy, has been delivered with bargaining councils compliance having been consistently monitored and evaluated against the accreditation and subsidy criteria. Organisational support, administrative assistance and training was provided where required, resulting in an increased compliance against conditions of accreditation. In particular, support initiatives successfully centred on addressing late award efficiencies.

The CCMA administers subsidies for a total of eight thousand eight hundred and ninety one (8 891) cases paid to twenty eight (28) Bargaining Councils.

Figure VII: Total Number of Subsidies Processed by Bargaining Council

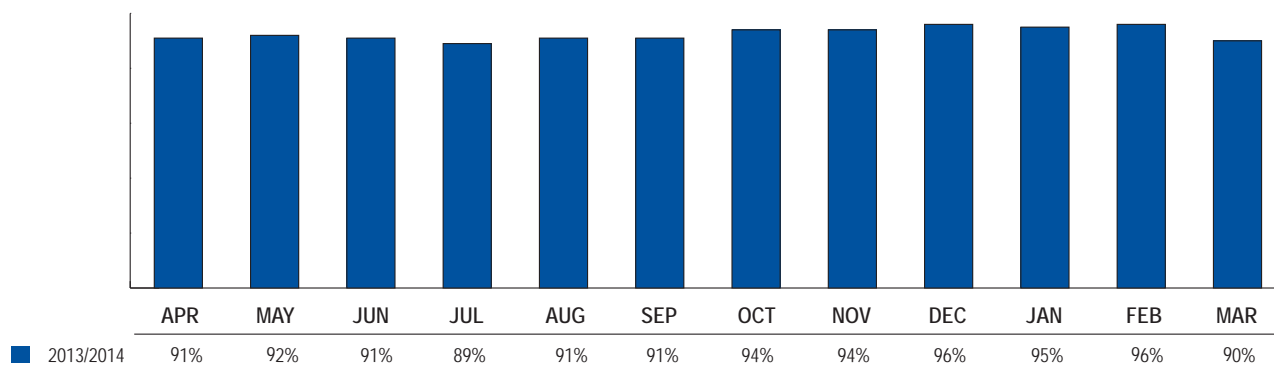


CCMA Council and Agencies Department entered a new era in this reporting period with the accreditation of four private dispute resolution agencies – a move which will dramatically increase and improve access to dispute resolution by employees and employers, and help to build stability in the labour market.

Participating in the process of amending CCMA relevant Employment Laws and policy development is a priority objective for the organisation. The amendments to the LRA also envisage amendments to the CCMA Rules and in this regard the CCMA convened a stakeholder lead review process. In addition, the forms have been revised to align with the proposed amendments. Specialists training manuals on sections 21 and 22 and 198 (dealing with organisational rights and non-standard employment respectively) of the LRA have been designed as well as a specialist training manual on the Employment Equity Amendment Act with the purpose of providing training to identified specialist commissioners. The CCMA is providing specialist training for users in preparation for the Amended Employment Laws.

The third strategic objective of Entrenching the mandate of the LRA (social justice, economic development and labour peace) in all CCMA services and outcomes has been delivered through ensuring proper quality control measures for awards in terms of objective criteria are implemented and monitored.

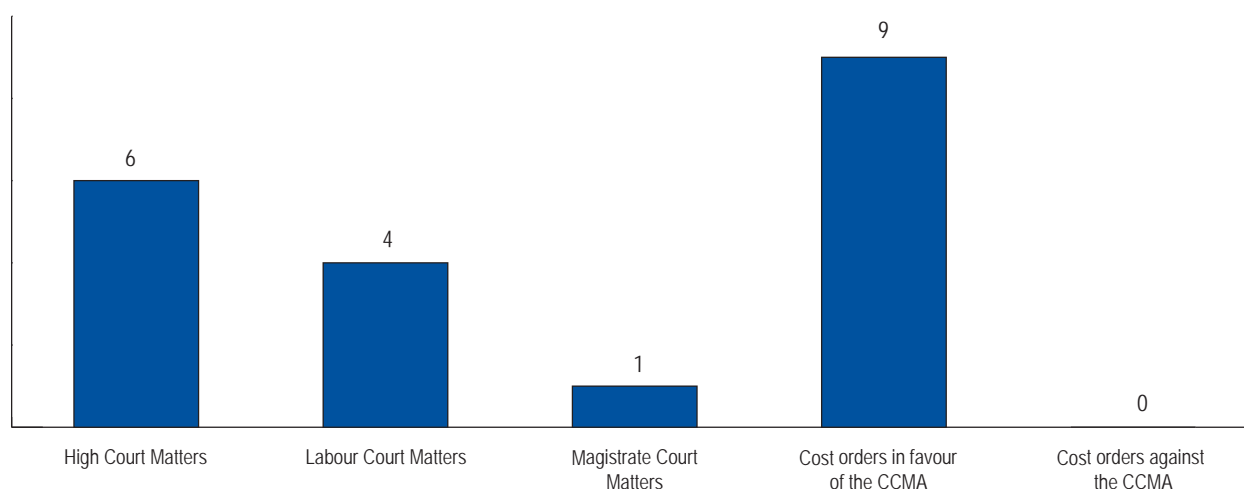
Figure VIII: Total Cases Perused Comply with Quality Measures



Litigation

In this year the CCMA most significant litigation matter, the Supreme Court of Appeal, upheld the constitutionality of Rule 25(1)(c) of the CCMA Rules which deals with the right to legal representation. The right to legal representivity is not an automatic right when it is a dismissal for misconduct of incapacity. This decision upheld a central tenant of the Labour Relations Act which is to ensure that all citizens have access to affordable justice in terms of dispute resolution as provided for by the CCMA.

Figure IX: Litigation Matters



Targets

In the forthcoming financial year, the cluster plans to:

- Meet with all relevant stakeholders, and in particular the Labour Court and Board of Sheriffs to engage on possible measures to further improve quality of awards and rulings and ensure expeditious resolution of review applications.
- Continue to monitor the quality of awards and rulings by applying the current Award Quality Index System.
- Contribute to the training on the proposed Employment Law Amendments.
- Assist in the establishment of Councils.
- Ensuring quality support and maintenance of the existing accredited bargaining councils and accredited private agencies.

Conclusion

Legal Services has expanded significantly so as to effectively deliver on the amendments to the Employment Laws and is geared up to achieve its strategic objectives and key performance areas in terms of the Siyaphambili Strategy.



CCMA Western Cape Region: Domestic Workers Workshop on labour legislation basic rights in the Zankhanyo Centre Khayalitsha

Essential Services Committee

Legislative mandate

The Essential Services Committee (ESC) is established in terms of Section 70 of the Labour Relations Act.

In terms of this section, the functions of the Committee are:

- To conduct investigations as to whether or not the whole or part of any service is an essential service, and then to decide whether or not to designate the whole or part of that service as an essential service
- To determine disputes as to whether or not the whole or a part of any service is an essential service
- To determine whether or not the whole or a part of any services is a maintenance service.



In exercising its responsibilities, the Committee may only determine a service as essential where, in terms of Section 213 of the Act, it can be shown that an interruption of that service would 'endanger the life, personal safety or health of the whole or any part of the population'.

Moreover, it would have to be established that a 'clear and imminent threat to the life, personal safety or health of the whole or part of the population existed'. Similarly, the Committee may only determine a service as a maintenance service where, in terms of Section 213 of the Act, it can be shown that '... the interruption of that service has the effect of material physical destruction to any working area, plant or machinery'.

Under the Labour Relations Amendment Bill, the functions of the Essential Services Committee have been extended to include:

- Monitoring the implementation and observance of essential service determinations and minimum service agreements and determinations
- Promoting effective dispute resolution in essential services
- Developing guidelines for the negotiation of minimum service agreements
- Deciding, on its own initiative or at the reasonable request of any interested party, whether to institute investigations as to whether or not the whole or a part of any service is an essential service
- Appointing panels contemplated in section 70C to perform one or more of the functions set out in section 70D
- Establishing a panel to perform any function in terms of section 70D(1) at the request of a bargaining council.

Members Register

Essential Services Committee Meetings (1 April 2013- 31 March 2014)

Name	26-Apr-13	1-Aug-13	30-Aug-13	19-Sep-13	28-Oct-13	26-Nov-13	14-Feb-14	17-Mar-14	Total Attendance
Mr Luvuyo Bono (Chairperson)	x	√	√	√	√	√	√	√	7/8
Mr Grahame Matthewson	√	√	√	√	√	√	x	√	7/8
Mr Johan Koen	√	√	√	√	√	√	√	√	7/8
Mr Themba Zulu	√	√	√	√	√	x	√	√	7/8
Mr Ruben Baloyi	√	√	√	x	√	x	√	√	7/8
Mr John Mawbey	√	√	√	√	√	√	x	√	7/8
Ms Coleen Slabbert	√	√	√	x	√	√	x	√	6/8
Mr Sifiso Khumalo	√	√	√	√	√	√	√	√	8/8

Two of the ESC's members, namely Messrs G Matthewson and J Mawbey resigned during the year. Ms M Mathsa was appointed following a nomination by BUSA.

A new ESC co-ordinator, Ms S Mdluli, was appointed following the redeployment of Ms B Gwala.

ESC Strategy

The Essential Services Committee held a strategic planning session on 13 February 2014. The session was facilitated by Ms E Hambridge and attended by members of the ESC, Mr .T Mkalipi from the Department of Labour and Mr F Brand from the CCMA.

The strategic planning session commenced with a comprehensive review of the performance in the previous year. The outcomes of the review informed the performance planning for the coming year. A comprehensive action plan was developed to meet the objectives of the strategy and addresses topics such as:

- Implementation of a marketing and communication plan
- Implementation of a research plan
- Develop guidelines for MSAs
- The finalisation of SALGBC and PSCBC MSA project plans
- Finalisation of identifying CCMA commissioners who will undertake ESC work.

Key Focus Areas

LRA Amendments

The implementation of the amendments will introduce fundamental changes to the responsibilities of the Essential Services Committee and has entailed extensive preparation during the year. The ESC identified key areas in the amendments that will impact on the operational functioning of the committee under the new dispensation. These issues include:

- Policy development on the monitoring and implementation of Minimum Service Agreements
- Finalisation of rules and regulations
- Guidelines for the negotiation of Minimum Service Agreements
- The appointment and training of a panel of senior CCMA commissioners to assist in panels
- Capacity building for interest arbitrations amongst ESC members.

A process has been initiated to draft rules and regulations for the ESC and this will be finalised during September 2014.

In addition, work is being done to effectively record and track all determinations to provide an additional component to the organisation's knowledge base.

In preparation for the promulgation of the Labour Relations Amendments, the ESC conducted training for the provincial chambers of the South African Local Government Bargaining Council (SALGBC). While this training dealt generally with the criteria for declaring services as essential, its main focus was on concluding minimum service agreements. The SALGBC will be expected to undertake this function once the amendments take effect.

The ESC, in collaboration with the legal department of the CCMA, has also undertaken the development of training material for the CCMA commissioners who are to be trained on the ESC work. The commissioners will be trained in late August 2014.

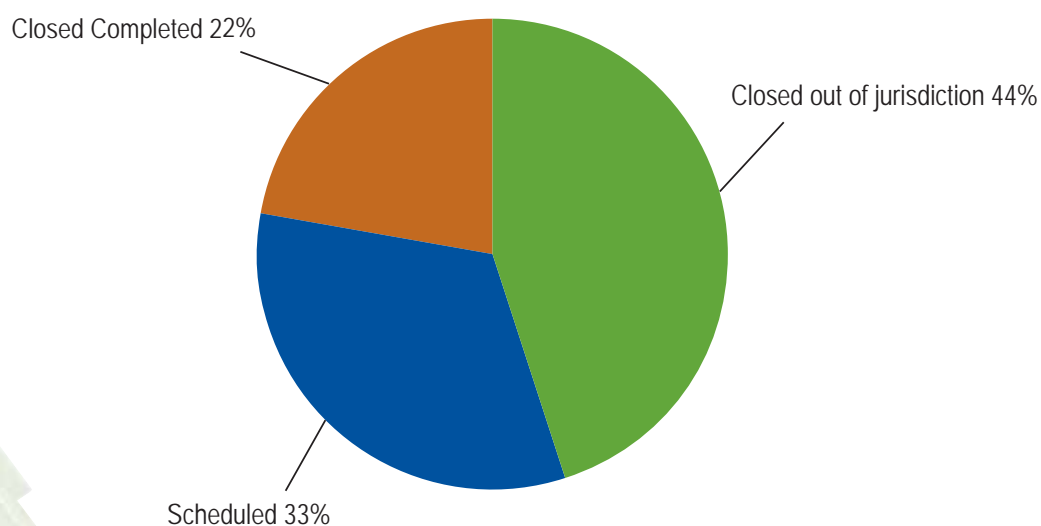
There is a requirement to allow members of the ESC to conduct research on the potential impact and working of interest arbitrations. In addition, training will be conducted for commissioners before the end of 2014.

Referrals received and/or dealt with in 2013/14

- Kriel Colliery vs NUM (Maintenance Service)
- Kriel Colliery vs NUM (Minimum Service Agreement)
- Abaqhashi Babantu vs NUMSA and others
- Globeflight vs SATAWU
- Staff-U-Need vs NUMSA and others
- Solidarity obo members vs ATNS
- Department of Social Development vs NEHAWU and others
- NUM and Solidarity vs Eskom
- Cape Mental Health
- Reserve Bank
- NUMSA (Eskom determination)
- Panorama Park Aftree Dorp vs NEHAWU

All the above matters have been attended to and are in various stages of completion. The Kriel Colliery referrals were particularly significant as they prompted the ESC to investigate the mining industry as a whole. Emphasis has been successfully placed on improving the turnaround time for completing cases.

Figure I: Essential Services Case Referral by Status



Referrals received and/or dealt with 2013/13

- Kriel Colliery vs NUM
- Kriel vs Num
- Abaqhashi Babantu vs NUMSA & Others
- Globeflight vs SATAWU
- Staff-U-Need vs NUMSA & Others
- Solidarity obo Members vs ATNS
- Department of Social Development vs NEHAWU & Others
- NUM & Solidarity vs Eskom
- Cape Mental Health
- Reserve Bank
- NUMSA (Eskom determination)
- Panorama Park Aftree Dorp vs NEHAWU

Publicity

It is considered essential that the public should have a greater awareness and understanding of the roles and functions of the ESC. To this end, a pamphlet containing relevant information in the form of Frequently Asked Questions has been distributed to relevant CCMA centres. It is planned to further extend the communication campaign in the forthcoming year by undertaking roadshows in conjunction with the CCMA's legal department.

Budget allocation

The CCMA has in anticipation of the amendments allocated additional budget resources to the Committee and its work. Considerable time has been spent in attending to this. This will supplement the current direct budget allocation of R1 284 000. This ESC budget relates to direct costs, but does not include the indirect costs of professional, administrative and office costs of the CCMA.

Conclusion

While the year under review was a particularly difficult one in the labour market, a major focus for the ESC during the year was preparation for the Labour Relation Act amendments. These will have a major impact on the responsibilities of the ESC and we are confident that we will be adequately prepared for their enactment.

Regards



Luvuyo Bono
ESC Chairperson



Commissioners' Indaba: David Lakay Head of Audit Committee and Sifiso Lukhele Member of the HR Committee



CCMA Vaal Office Opening Ceremony: Chairperson of the CCMA Governing Body Mr Daniel Dube Closing the Event with thanks



NEDLAC 18th Annual Summit: CCMA Ekurhuleni Convening Senior Commissioner Arnause Mohlala



NEDLAC 18th Annual Summit: Senior Commissioner Winnie Everett Panellist



CCMA Welkom Office Opening Ceremony: CCMA Director Nerine Kahn welcoming guests at the new office

Introduction

Corporate Services consists of four (4) departments namely National Facilities Management, Strategic Management, Management of the National Office and Human Resource Management.

National Facilities Management covers the service support areas of management of leases, travel management, security, pool vehicle management, occupational health and safety and asset procurement (furniture, electronic equipment and small assets). And for this financial year, certain community social responsibility tasks.

Strategic Management covers the strategic support areas of strategy co-ordination and governance, policy development and management and organisational performance monitoring and evaluation.

Human Resource Management provides operational support to the human resource needs, well-being and relations of the organisation as well as ensuring compliance with and reporting to the relevant employment legislation including and importantly, employment equity. In terms of the Labour Relations Act the recruitment and termination of commissioners is the exclusive function of the Governing Body with Human Resource Management providing administrative support to the commissioner recruitment process.



General Manager:
Corporate Service
Itumeleng Masege

Operational Performance Objectives

National Facilities Management

A specific focus was placed on evaluating and ensuring adequate occupational health and safety compliance. This saw a significant improvement in all offices preparing for and paying attention to safety. Nationally challenges with lifts were experienced, and a contractor was procured to inspect, evaluate and provide reports on the safety of all CCMA Offices. Where corrective work was identified the relevant landlords were required to undertake the necessary maintenance work to ensure their safe use.

A high level security audit was conducted to begin the process of upgrading and ensuring all offices and personnel were adequately protected.

The oversight of awarding and installations in three major offices was undertaken, i.e. Cape Town (new premises installation), Johannesburg (renovations) and commencement of tenant installation in KZN Durban and Pietermaritzburg offices (new premises), NW Klerksdorp office (old premises renewal). Furthermore support was given to the Johannesburg and Free State offices where two new offices, Vaal and Welkom, were opened. Other work in lease management involved initiating the lease extension processes for satellite offices, George in the Western Cape, New Castle and Port Shepstone in KZN and leases for two venues, that is, Tzaneen in Limpopo and Nelspruit in Mpumalanga.

Strategic Management

This is the first year that a standalone department has operated. The office was significantly responsible for ensuring drafting, updating, monitoring, and developing the quarterly and annual scorecard and delivery of the requirements of the Siyaphambili strategy. The focus on the alignment of planning, budgeting and reporting has resulted in a further strengthening of the institutional strategic management, governance compliance and performance reporting. Clusters and regions were afforded the opportunity to hold strategic planning sessions with operational plans being submitted prior to the development of the operational budget further streamlining and bringing finance and strategic management processes into alignment. A highlight of the year has been the increased performance achieved against Key Performance Areas set with 95% of annual targets for this year achieving a 100% or more delivery rate.

The long-time clean compliance submission record held by the CCMA was continued with the Annual Performance Plan, Strategic Plan and Annual Report requirements timeous delivery, prior to the respective submission dates as determined by the National Treasury.

The department planned a programme and commenced development of the broad mandate document into the strategic plan for 2015 -2020 under the auspices of the Governing Body.

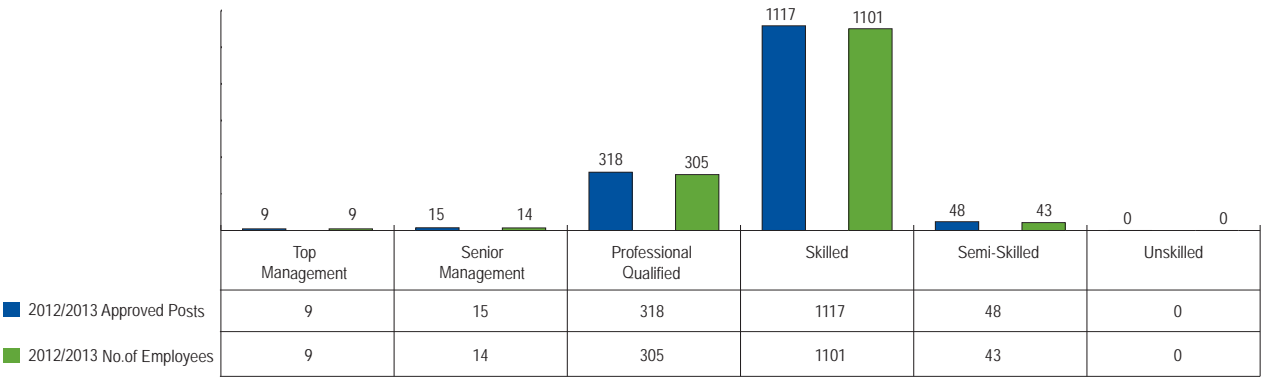
A policy management programme has been implemented to enhance the policy adoption process and build on the policy administration systems. This has resulted in seventeen (17) organisational policies being adopted or updated during this year.

Human Resource Management

Talent Management

Despite a low staff turnover rate, the CCMA continually strives to attract and retain the best available talent. During the reporting period, an initiative was undertaken to review the organisation's talent management and succession strategy. The revised strategy will be implemented in October 2014.

Figure X: Employment Vacancies



Remuneration Strategy Project

The final phase of reviewing the organisational retention and compensation strategy was completed during December 2013. It is envisaged that implementation will take place during the 2014/2015 financial year.

Commissioner Recruitment

In terms of the Labour Relations Act the recruitment and termination of commissioners is the exclusive function of the Governing Body and this structure plays a central role throughout the commissioner recruitment process. The organisation advertises positions every year whereby vacancies are filled in terms of full and part time commissioners. It is a policy of the organisation that there is no automatic renewal of contracts when they expire, but that all commissioners are required to reapply for new contracts. The Governing Body has resolved to separate the commissioner recruitment into two phases, first being to interview new applicants including existing commissioners applying for upgrades and the second phase for commissioners applying for renewal of their contracts. The regions that recruited in 2013 included the National Office, Limpopo, Western Cape, Johannesburg, Ekurhuleni, North West, Mpumalanga, East London, Port Elizabeth, Tshwane, Free State, Kwa-Zulu Natal and Northern Cape. Renewal of existing contracts for the Western Cape, Kwa-Zulu Natal and the Tshwane region will be finalised during the 2014/2015 financial year.

In this reporting period's recruitment process, 1 311 applications were received and were processed through a project-managed approach that included written assessments and two sets of interviews. The appointment of new commissioners is finalised after successful completion of commissioner training that takes place over a six-month period. One hundred and three (103) new appointments were made by the Governing Body and 69 new contracts issued for existing commissioners. The extended recruitment plan was approved by the Governing Body and through this programme 91 commissioners whose contracts expire end March 2015 will have undergone interviews between June 2013 and September 2014.

Figure XI: New Appointments 2013

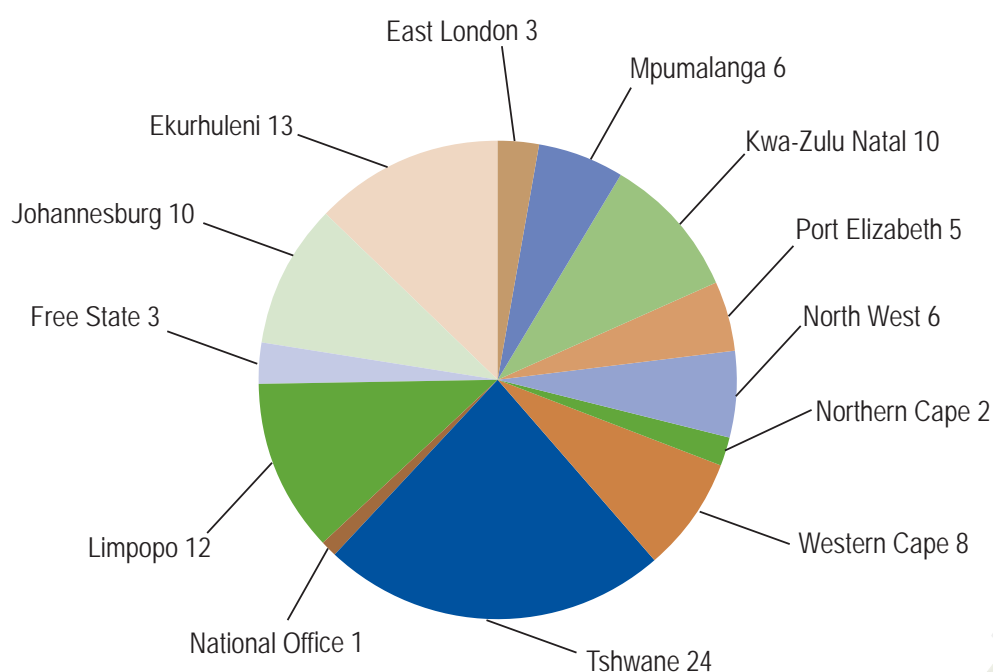
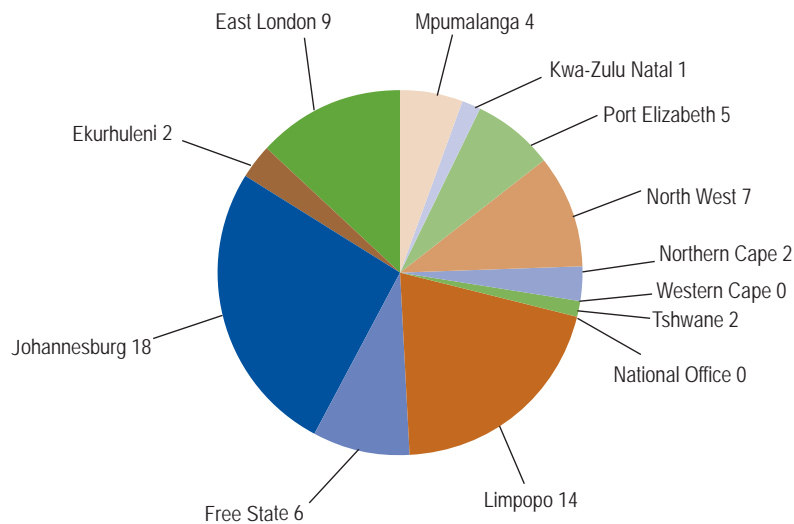


Figure XII: New Contracts 2013



Employee Benefits

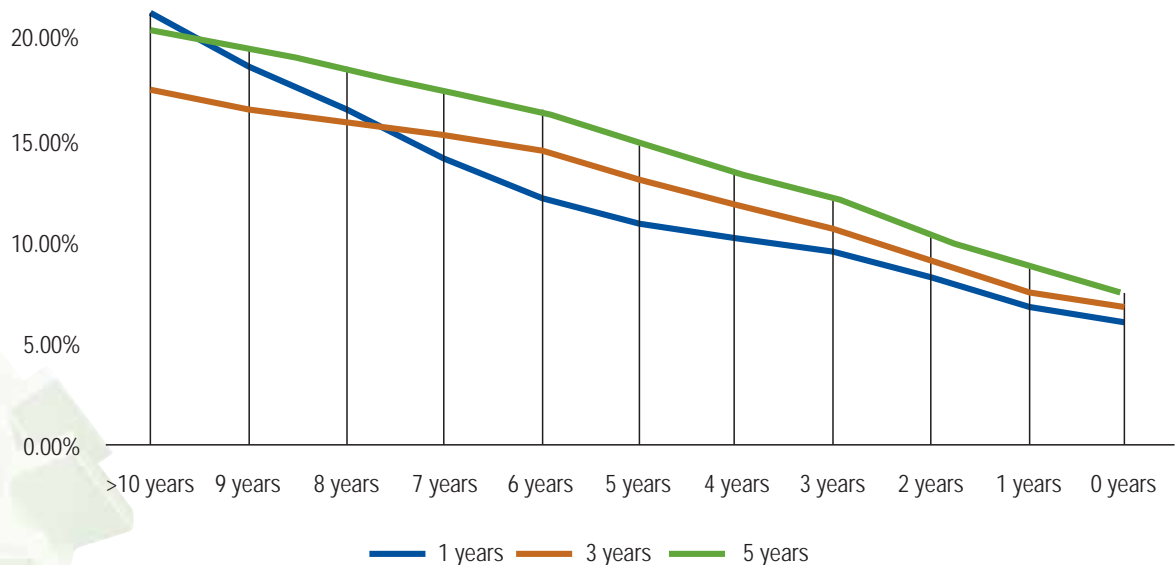
The CCMA established an Employee Wellbeing Programme (EAP), strengthening the organisations commitment towards enhancing the quality of life of its employees, which has a positive effect on work performance and service delivery. EAP provides a mechanism within a supportive and confidential framework to assist employees and their immediate family members to recognise and acknowledge that there is a problem, and to obtain appropriate assistance.

Retirement Fund and Group Risk benefits

The CCMA is a participating employer in the FundsAtWork Umbrella Provident Fund as of the 1 July 2010.

The CCMA Umbrella Provident Fund with Momentum experienced unprecedented growth during the 2013/2014 financial year. There has been progressive growth in employee use of the online portal service, through which employees are able to monitor the performance of the fund in real-time.

Figure XIII: Passive Life Stage Returns



Management regularly monitors the performance of the retirement fund and the statistics are a positive indicator of the rewards that such an investment is yielding.

The CCMA group risk benefits provides for the following basket of benefits i.e. life cover linked to a global education protector, capital disability, severe illness benefit, income continuation, vitality, member and family funeral and part-time Interpreter's funeral cover.

Medical Aid

The CCMA offers two (2) medical schemes to employees as part of the employee benefits basket. It is a condition of employment for all employees to belong to a medical aid. To this end, HR conducts medical aid membership audits twice per year to ensure that all employees are always covered by a medical aid scheme.

The CCMA provides a non-pensionable allowance in lieu of medical aid membership for all categories of employees.

Aligning the organisational structure that facilitates the delivery of the strategy

In order to strengthen the organisation's position to deliver on the next strategy, a review of the organisational structure was undertaken during the 2013/2014 financial year. The initial phase of the review was implemented. It is envisaged that a new structure will be implemented during the 2014/2015 financial year.

Employee Relations

The second year of the three-year Substantive and Wage Agreement between the Commission Staff Association (CSA) and Management was successfully implemented. The parties continue to engage on outstanding issues resultant from the multi-term agreement. A healthy employee relations environment continues to prevail.

Substantive and Wage Negotiations for the 2015/2016 financial year and beyond will commence during the second quarter of the new financial year.

Figure XIV: Employment Changes

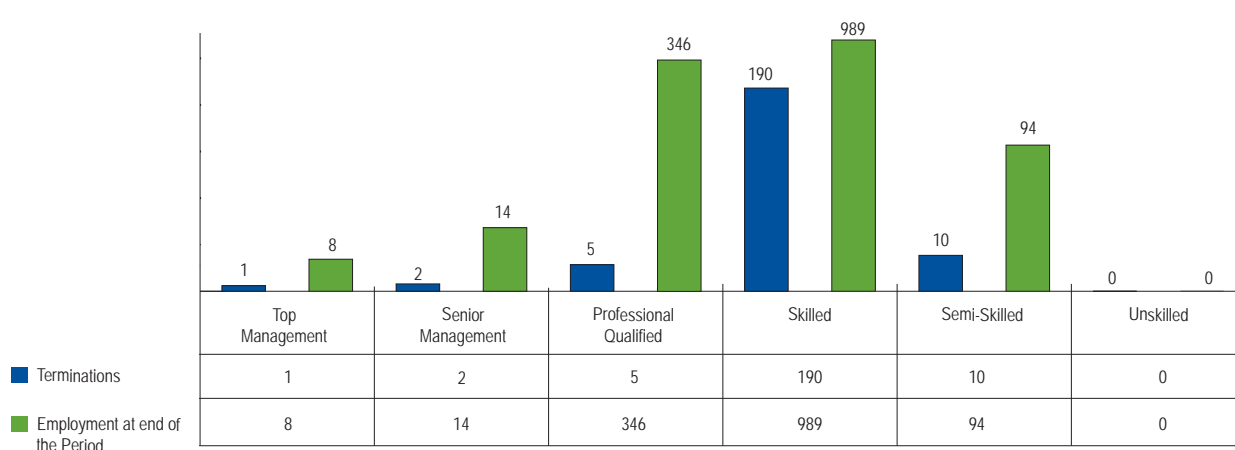
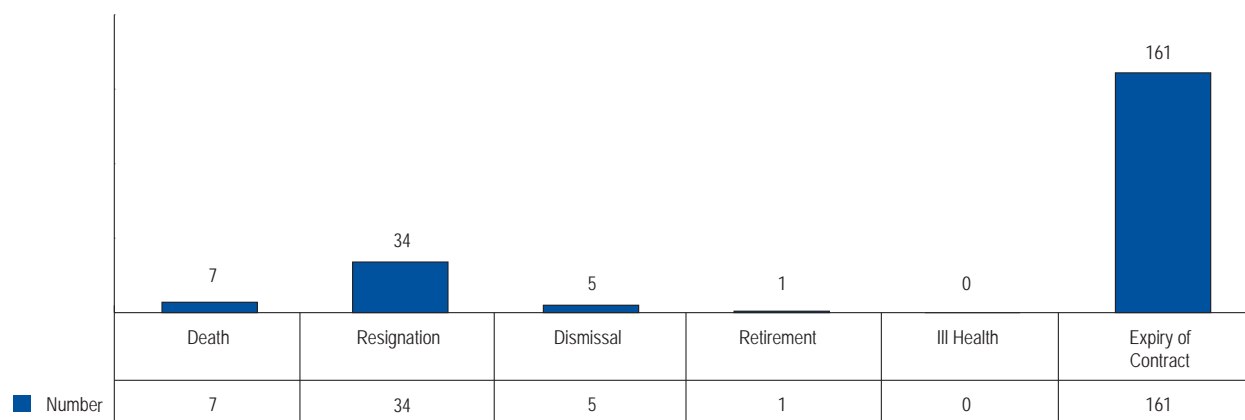


Figure XV: Reasons for Terminations



Employment Equity

A five-year Employment Equity Plan (2011-2016) was approved by the Governing Body and implemented. The annual Employment Equity report was submitted to the Department of Labour. A new Chairperson and members was appointed to the Employment Equity Committee with the aim of ensuring that employment equity issues are given prominence in the organisation. Importantly, the CCMA liaised with organisations that specialise in the recruitment of persons with disabilities and this is yielding positive results. The organisation currently employs 22 persons with disabilities which translates to 1.83% of the staff complement.

Below is a summary of the achievement of annual numerical race and gender goals as outlined in the Employment Equity.

Figure XVI: Male Employment Equity Profile

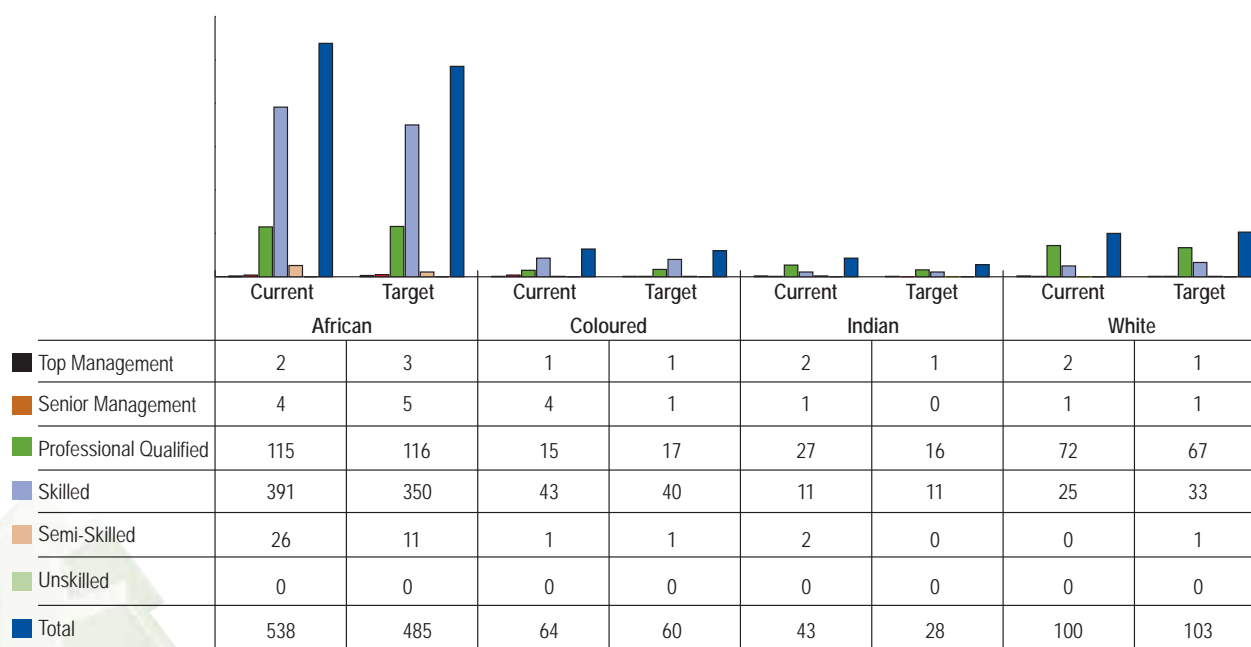
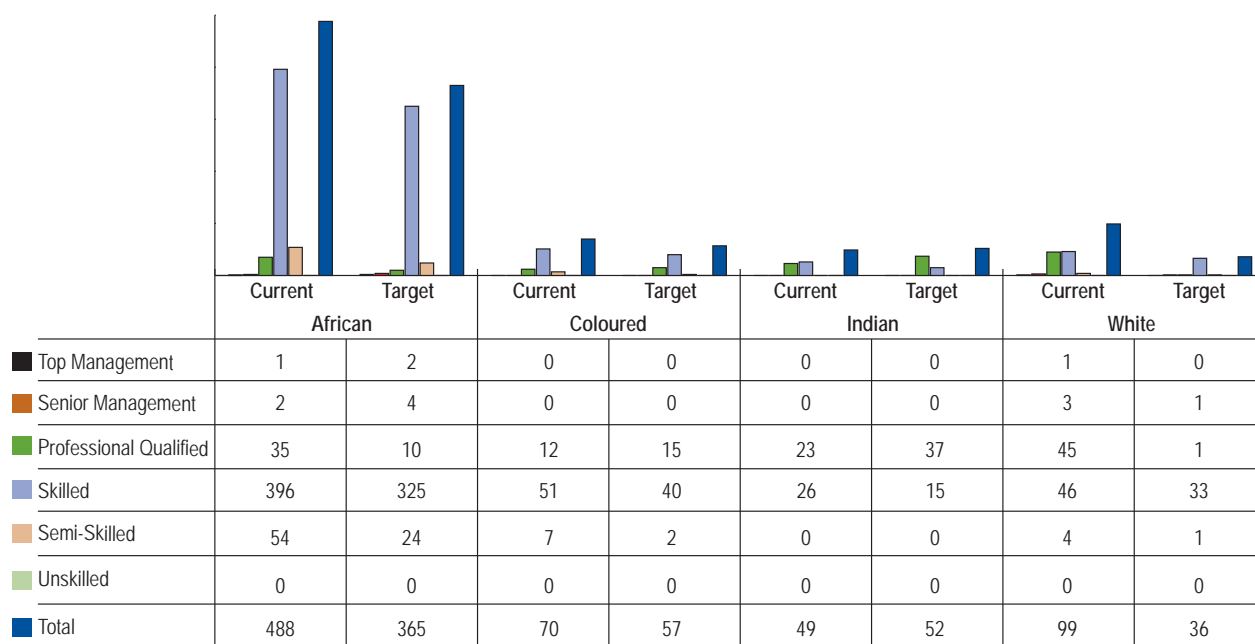


Figure XVII: Female Employment Equity Profile



The organisation has designed programmes and processes to enhance the appointment of more women into the organisation and this has resulted in the appointment of an increased number of women in management. The CCMA has additionally instituted a requirement for outcomes of a recruitment processes to be reported in relation to the required employment equity targets for all positions being filled. The aim of this process is to assist the organisation to monitoring progress towards meetings its stated targets as well as to highlight challenges that might be encountered.

Targets

In the forthcoming financial year, the departments plan to:

- The organisation adds value to the labour market as determined by its mandate
- Organisation that is performance driven that rewards excellence
- Skilled Human Capital plan implemented with depth in staffing levels
- More women in leadership and commissioner roles
- Implement the revised organisational structure
- Siyaphambili Strategy fully implemented with all targets achieved
- Develop 2015-2020 strategy.

Corporate Social Responsibility Projects



CCMA KZN Office: CSR 67 Minute of Mandela Day Good Deed



CCMA Head Office: CSR Greening Project
preparing the seeds



CCMA Head Office: CSR World Aids Day Commemoration



CCMA Klerksdorp Office: CSR 67 Minute
of Mandela Day Good Deed



CCMA Head Office: CSR "learning, preparing and
caring" Cancer Day

Introduction

The Office of the Chief Financial Officer oversees four (4) departments namely the Financial Management, Risk Management, Business Applications Systems and Supply Chain Management.

Financial Management focuses on designing, maintaining and implementing sound financial processes and controls, and on ensuring full compliance to the provisions of the Public Finance Management Act (as amended), the Labour Relations Act (as amended) and other legislative prescripts. The section's main functions are financial administration, financial accounting, payroll, treasury management and reporting.

The primary risk management function is to review the effectiveness of the organisation's systems, processes and procedures, and to provide recommendations for improvement. The unit is tasked with embedding risk management within the organisation. The unit assists in identifying, assessing and recording strategic and operational risks and to monitor procedures aimed at mitigating them. The risk management unit is also responsible for occupational health and safety (OHS), insurance, and the monitoring of the audit findings raised by the regulatory audit of the Auditor-General. The Risk Management and Internal Audit functions work closely together to provide combined assurance on the identification and management of key risks faced by the organisation.

The responsibility of the Supply Chain Management Unit is to ensure that the procurement system is fair, transparent, equitable, competitive and cost effective. The unit focuses on the management of interdependent activities of demand, acquisition, inventory and disposal management, with the goal of increasing their effectiveness and efficiency. All procurement processes of the CCMA are handled centrally through an electronic system to enhance compliance.

Business Applications Systems (BAS) leads business and technical analysis sessions to support new development efforts to meet current and projected business needs as well as providing expertise on the systems capabilities/limitations as it relates to business goals. Additionally BAS is responsible for quality assurance management, training on business application systems, managing of service level agreements and the development and improvement of internal control systems.

Operational Performance Objectives

The strategic objective supported by the Office of the Chief Financial Officer provides the service delivery structure for all departments and is to enhance and entrench internal processes and systems for optimal deployment of resources.

The Office of the CFO's delivery is informed by the Siyaphambili Strategy by:

- Further embedding risk management principles in the organisation
- Maintain an unqualified audit opinion
- Ensure that efficient and effective internal controls processes, procedures and policies were in place
- Manage working capital effectively, maintaining a healthy liquidity position
- Ensure that expenditure is within the 5% range of the allocated budget



Chief Financial Officer
Ntombi Boikhutso

Key Performance Areas

The Office of the CFO has aligned its operational plans to the achievement of the strategic goals and objectives of the Siyaphambili Strategy. The strategic targets, as set above for the Office of the CFO, were pursued with vigour.

Highlights for the year under review include:

- The organisation managed its working capital effectively, with a liquidity ratio of 1,10:1
- A favorable cash position of R79,9 million at year-end was achieved which is the equivalent of two month's cover to meet short-term financial obligations
- Setting of a BBBEE target of 65% which was exceeded in its first year of implementation.
- All procurement items on the Procurement Plan were completed by the end of the 3rd quarter of the 2013/14 financial year.
- A significant decrease in the number of internal and external Audit findings year on year with no repeat Audit findings
- A noteworthy reduction in the number of extensions of contracts was achieved in this reporting period
- A Business Applications Systems (BAS) Unit was established. The strategic objective of BAS is to ensure financial applications are aligned with the performance and sustainability objectives of the CCMA, by providing expertise in business processes and system functionality.

Audit Matters

The CCMA yet again received an Unqualified Audit Report. The organisation continued to see improvement in the internal control environment that led to significant reduction in the number of findings from both internal and external findings year on year. Findings that came from the audit are addressed using a tracking tool called the Items Being Tracked for Correction (IBTC) which is used to follow on the findings with the objective of ensuring that effective measures have been put in place to avoid recurrence of the same findings. This tool tracks findings from both Internal and External Audit.

Supplementary Information

The table below presents the four-year review of the statistical financial information. The value added statements reflect the utilisation of the grant income received from the Department of Labour for the year under review.

Table XII: Four-Year Review

Item	2010/11	2011/12	2012/13	2013/14
	R'000	R'000	R'000	R'000
Grant income and services rendered	403,523	450,859	484,103	597,741
Operating expenditure	381,346	427,923	508,477	583,059
Accumulated surplus /(deficit) for the year	(14,499)	17,733	8,933	34,554
Interest received	5,453	7,556	9,837	7,184
Investments and cash	35,191	73,097	71,702	79,921
Average cost per case referred	2,485	2,648	3,019	3,416
Average cost per settlement	5,430	5,406	6,059	6,337
Staff costs as % of operating expenditure	34%	34%	32%	32%
Total costs as % of grant income	95%	95%	106%	98%
Current ratio	0,58	1,10	1,02	1,10

Value Added

Value added year on year is depicted by the pattern of spending and utilization of the government grant as per the table and pie charts below.

Table XIII:

	2013	2014
Value Distribution	R'000	R'000
Salaries and benefits	164,239	187,139
Subsidy pay out	5,496	4,661
Case disbursements	191,756	242,878
Reinvestment to develop operations	146,986	148,381

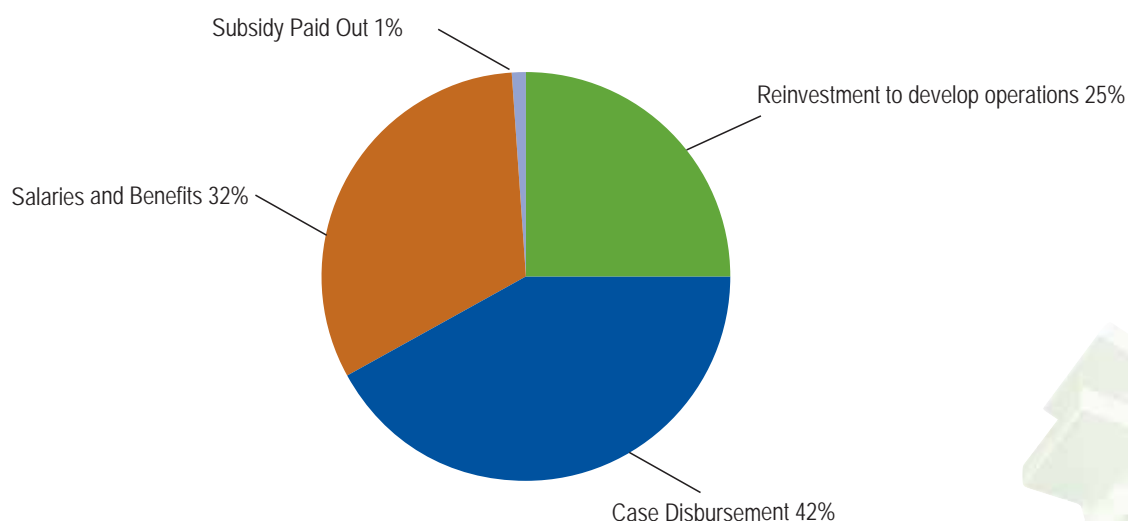
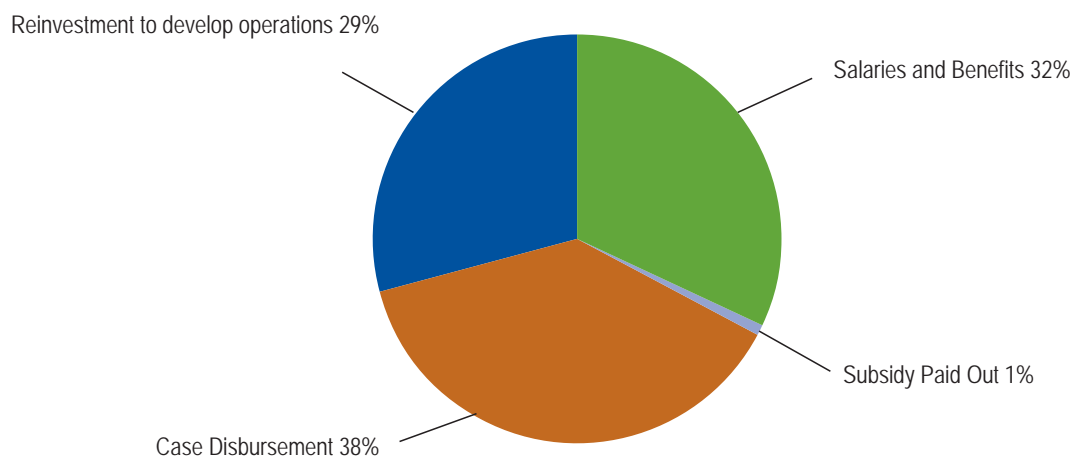
Figure XVIII: Value Distribution 2014

Figure XIX : Value distribution 2013



Targets

The strategic targets for the financial year 2014/15 for the Office of the Chief Financial Officer, as embedded in the operational plan of the department, are to:

- To provide the basis for management to enforce a proactive risk management approach and to embed the risk management culture and philosophy within the organisation by ensuring that risks are managed effectively and efficiently in order to achieve the organisational goals and objectives.
- To ensure that the procurement system is fair, transparent, equitable, competitive and cost effective.
- To ensure that financial applications enable the organisation to achieve its operational and strategic objectives and enhance the internal control processes procedures and policies.
- To continuously entrench the current governance and legal prescripts, such as the PFMA and PPPFA
- Maintain effective and efficient budget and planning processes.

Conclusion

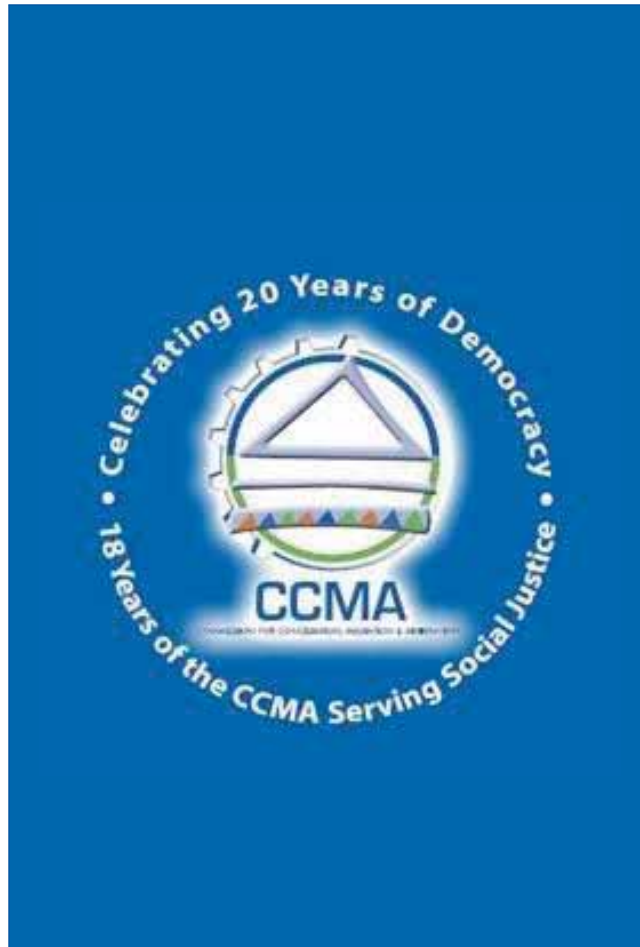
It is pleasing to report that the Annual Financial Statements, for the year ended 31 March 2014, of the Commission for Conciliation, Mediation and Arbitration, which were subjected to an audit by the Auditor-General of the Republic of South Africa, received an unqualified audit opinion.



CCMA / International Labour Organisation: Decent Work Contract Cleaning Summit discussion panel



Dispute Management and Prevention Manager
Mr Hilton Mudau Programme Director of the
NEDLAC 18th Annual Summit



Introduction

The Commission for Conciliation, Mediation and Arbitration believes strongly in the key role that the Internal Audit function plays in ensuring overall good corporate governance. Internal Audit is responsible for providing independent, objective assurance on the adequacy and effectiveness of CCMA's systems of governance, risk management and internal control to the Governing Body and executive management and, in so doing enhance the controls culture within the organisation. The work of Internal Audit is focused on the areas of greatest risk, both current and emerging, to CCMA as determined by a comprehensive, risk-based planning process. The Audit Committee approves the annual internal audit plan and any subsequent material amendments to it and also satisfies itself that Internal Audit has adequate resources to discharge its function (which the Governing Body is able to confirm is the case for 2013/14).



Chief Audit Executive:
Internal Audit
Sello Hlalele

This role is performed through examining and evaluating the organisation's activities with the objective of giving assurance to the Governing Body and management on the adequacy, effectiveness and efficiency of Internal controls within the organisation. Internal controls comprise the methods and procedures implemented by management to achieve the objectives of safeguarding organisation's assets, efficient and effective employment of resources, the prevention and detection of errors and fraud, ensuring the accuracy of accounting records and the timely production of reliable financial and operational information

The mandate of the Internal Audit function, which is captured holistically in the Internal Audit Charter and reviewed biennially by the Audit Committee, includes independently appraising the appropriateness, adequacy and effectiveness of the organisation's systems of internal controls and reporting on these to management and the Audit Committee and the Governing Body.

Control Environment within the CCMA

For the year under review, our assessment of the control environment is that the key controls remain relevant and were in consistent application within the organisation. The graph below depicts the level of compliance throughout the organisation.

**FRAUD?
CORRUPTION?
DISHONESTY?
REPORT IT!**

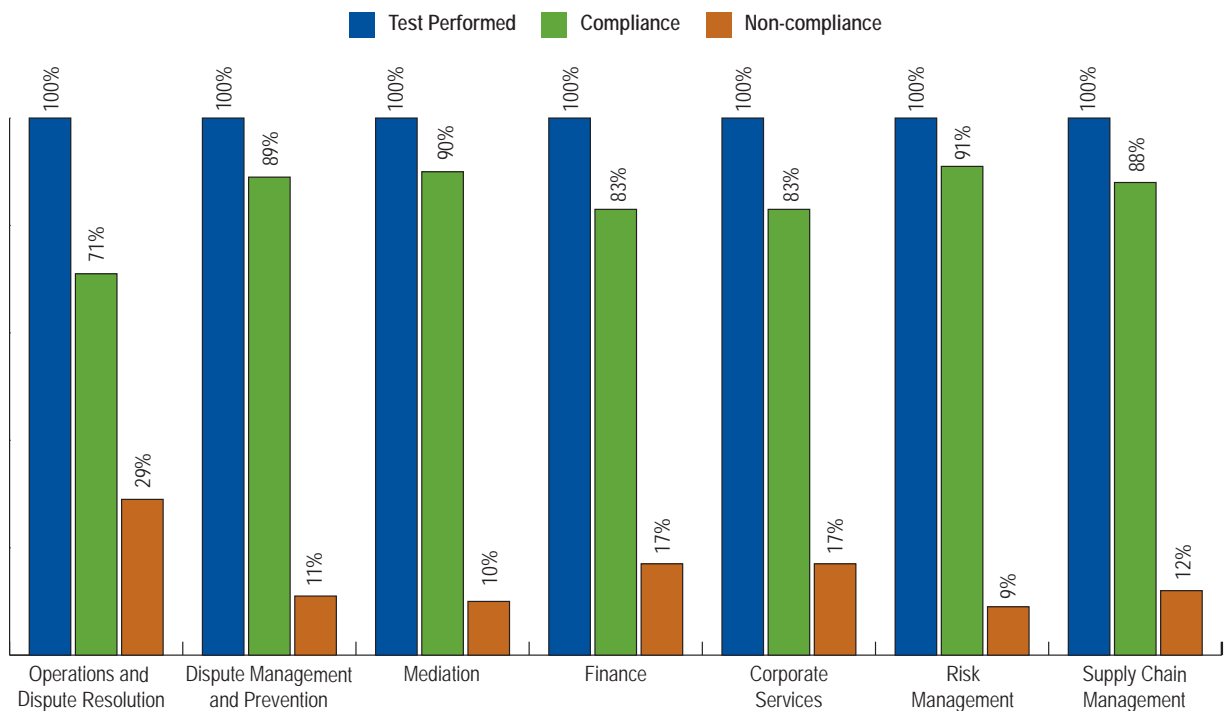
Juvu ZELA
HOTLINE
It's your call

0860 666 348
www.thehotline.co.za

FAX2EMAIL: 086 726 1681 CALL BACK NUMBER: 072 595 9139
EMAIL: ccma@thehotline.co.za P.O. Box 21091, Valhalla, 0157

anonymous  secure  confidential

Figure XX: Level of Compliance



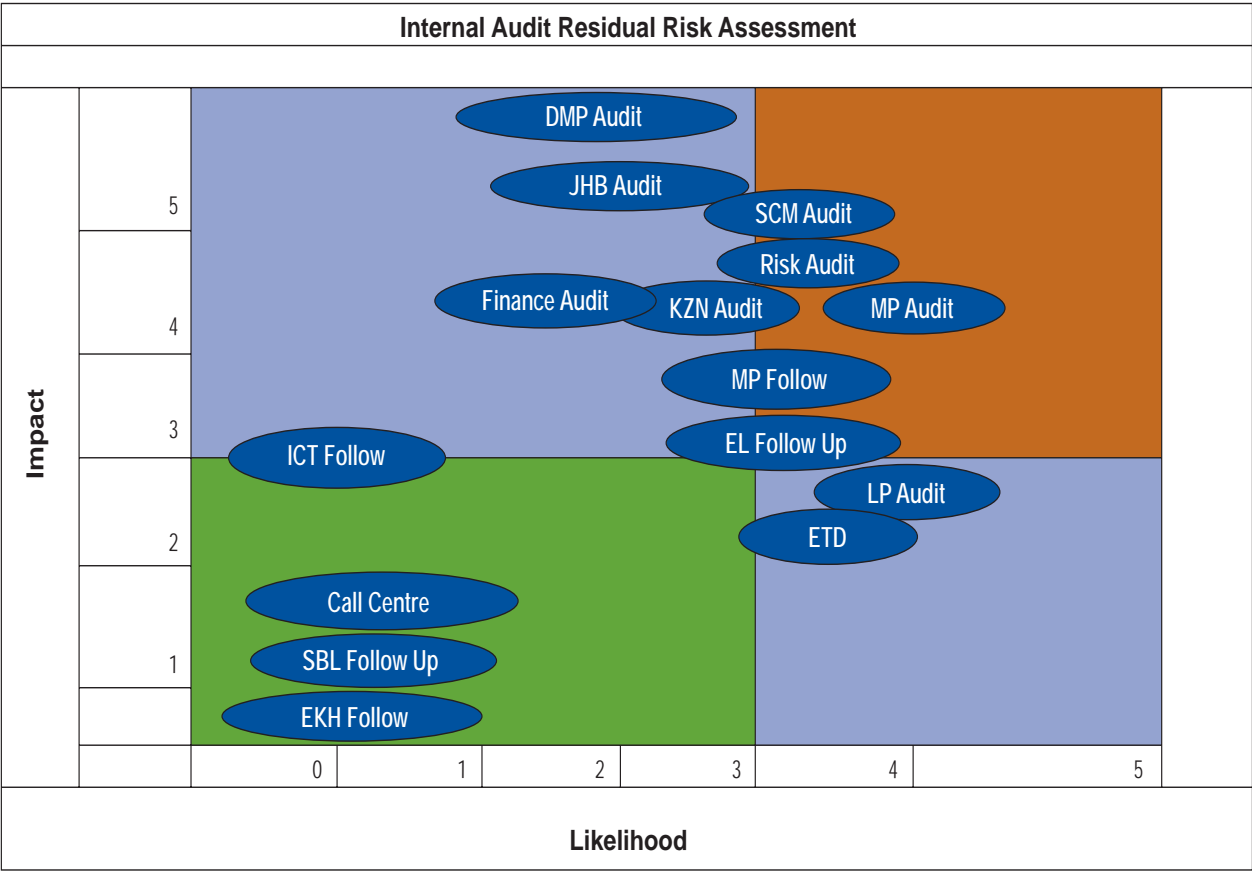
Fraud, Irregularities, Waste and Abuse

For the year under review, Internal Audit has not undertaken any irregularity and wasteful expenditure investigations, neither has it received any new anonymous tip-offs or management request that resulted in an investigation.

Review of 2013/14 Internal Audit Work Performed

Internal Audit uses an audit methodology which meets the standards set by the Institute of Internal Auditors. Issues raised by internal audit during the course of its work are discussed with management, who are responsible for implementing agreed actions to address the issues identified within an appropriate and agreed timeframe. During the 2013/14 financial year, a total of 15 audits were conducted in accordance with the plan. There are only two audits that have been rolled over to the 2014/15 financial year. Overall, the control environment is satisfactory, assuring that the adequacy of design and effectiveness of controls are as management had intended. There is room for improvement, especially around continuous monitoring of such controls. The matrix below depicts the results of the audits conducted in the year under review.

Figure XXI: Internal Audit Residual Risk Assessment



Further to the matrix above, for the year under review, Internal Audit embedded the Barnowl System, which has improved the turnaround times of audits and contributing to the greening objective of the organisation through electronic working paper. The Internal Audit methodology and charter was also reviewed in the year under review to incorporate the IIASA new and amended standards

Key 2014/15 deliverables

For the 2014/15 financial year, Internal Audit will be embarking on a Quality Assurance Review in line with the Institute of Internal Auditors Standards.



Members of the Farm Workers' Committees from the Grahamstown and Alexandria area who attended a Best Practice Workshop initiated by the Eastern Cape – Port Elizabeth DM&P Team



Dispute Management & Prevention Outreach Programme —Queenstown Eastern Cape.



East London Office: Joint CCMA and DoL Outreach Programme Roadshow - DM&P Commissioner Bongani Mbali



CCMA

COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

Commission for Conciliation, Mediation and Arbitration (CCMA)

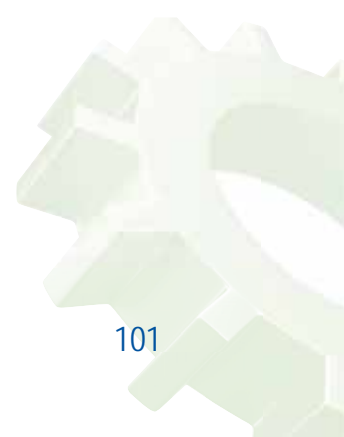
Annual financial statements
for the year ended 31 March, 2014

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

General Information

Legal entity	The CCMA was established in terms of section 112 of the Labour Relations Act, 66 of 1995
Nature of business and principal activities	<p>The CCMA's compulsory statutory functions are to:</p> <ul style="list-style-type: none">• Conciliate workplace disputes• Arbitrate certain categories of disputes that remain unresolved after conciliation• Establish picketing rules• Facilitate the establishment of workplace forums and statutory councils• Compile and publish information and statistics about its activities• Accredite and consider applications for subsidy by bargaining councils and private agencies• Provide support for the Essential Services Committee.
Business address	JCI House 28 Harrison Street Marshalltown Johannesburg 2001
Postal address	Private Bag X94 Marshalltown 2107
Jurisdiction	The CCMA is a national public entity under the Department of Labour
Accounting Authority	Governing Body



Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Index

The reports and statements set out below comprise the annual financial statements presented to parliament:

Index	Page
Accounting Authority's Responsibilities and Approval	103
Audit Committee Report	104
Auditor-General's Report	106
Accounting Authority's Report	109
Statement of Financial Position	120
Statement of Financial Performance	121
Statement of Changes in Net Assets	122
Cash Flow Statement	123
Statement of Comparison of Budget and Actual Amounts	124
Accounting Policies	125
Notes to the Annual Financial Statements	141

Accounting Authority's Responsibilities and Approval

The Governing Body is required by the Public Finance Management Act (Act 1 of 1999) and Labour Relations Act (Act 66 of 1995), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Governing Body to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The Auditor-General is responsible for reporting on the fair presentation of the annual financial statements.

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

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

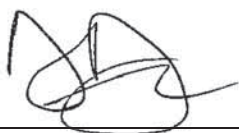
The Governing Body acknowledges that it is ultimately responsible for the system of internal financial controls established by the entity and places considerable importance on maintaining a strong control environment. To enable the Governing Body to meet these responsibilities, management sets systems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

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

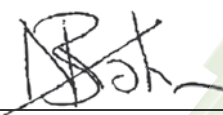
The Governing Body has reviewed the entity's cash flow forecast for the year to 31 March, 2015 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 102 to 158, which have been prepared on the going concern basis, were approved by the Governing Body on 31 July 2014 and were signed on its behalf by:



Mr Daniel Dube
Chairperson of Governing Body
31 July 2014



Ms Nerine Kahn
Director

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March, 2014.

Audit committee members

The audit committee consists of the members listed under the Corporate Governance section and for the year under review, have met in accordance with the scheduled meetings of the committee.

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 55(1)(b) of the PFMA and Treasury Regulation 27.1.7 and 27.1.10(b) and (c) in overseeing the activities of the organisation and thereby ensuring that the controls as designed by the Governing Body have been implemented and effective for year under review.

A fully independent Audit Committee, comprising of representatives from the three stakeholders and two independent members, also assist the work of the Governing Body. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Where weaknesses were identified in internal controls, corrective action was taken to eliminate or reduce the risks.

The Committee is of the opinion, based on the information and explanations given by management and the Internal Audit department and discussions with the independent external auditors on the results of their audits, that the internal controls of the organisation have operated effectively throughout the year under review and, where internal controls did not operate effectively, compensating controls have ensured the organisation's assets have been safeguarded, proper accounting records maintained and resources utilised efficiently. Accordingly, we can report that the system of internal control over the reporting financial period under review was efficient and effective.

The Audit Committee had reviewed the quality of management quarterly reports submitted in terms of the PFMA and the Division of Revenue Act, and is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Authority of the entity during the year under review.


Audit Committee Report

Evaluation of annual financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Authority;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit;
- reviewed the effectiveness and adequacy of the Internal Audit department and adequacy of its annual work plan;
- considered whether the independence, objectives, organisation staffing plans, financial budgets, audit plans and standing of the internal audit function provide adequate support to enable the committee to meet its objectives;
- reviewed the results of the work performed by the internal audit and any significant investigation and management response thereto;
- reviewed the internal audit charter to ensure that the internal audit function discharges its responsibilities with independence and objectivity and in accordance with the international standards for the professional practice of internal auditing (standards).
- reviewed the external auditors findings and reports submitted to management; and
- reviewed the independence and objectivity of the external auditors.

The Audit Committee concurs with and accepts the Auditor-General of South Africa's conclusions on the annual financial statements, and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-General, and therefore recommend that the Annual Financial Statements as submitted, be approved.



Adv. Shami Kholong
Chairperson of the Audit Committee
31 July 2014

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Commission for Conciliation, Mediation and Arbitration (CCMA) as set out on pages 109 to 158, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, cash flow statement 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 governing body, which constitutes 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 the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and 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 CCMA as at 31 March 2014 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 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 33 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of errors discovered during the year ended 31 March 2014 in the financial statements of the CCMA at, and for the year ended, 31 March 2013.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation as well as 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

10. I 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 public entity for the year ended 31 March 2014:

- Objective 3: deliver excellent service rooted in social justice ensuring balance between quality and quantity, on pages 38 to 39
- Objective 4: enhance and entrench internal processes and systems for optimal deployment of resources, on pages 40 to 41

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. 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 objectives. 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*.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

Additional matter

15. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matter:

Achievement of planned targets

16. Refer to the annual performance report on pages 32 to 42 for information on the achievement of the planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My 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;

Annual financial statements

18. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 55(1)(b) of the PFMA. Material misstatements of operating and capital commitments identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

19. 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 internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

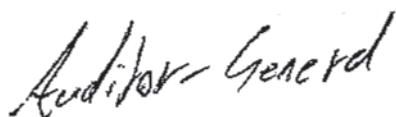
Financial and performance management

20. In certain instances, the annual financial information prepared by management was not supported and evidenced by accurate and complete information. As a result, material adjustments were made to the annual financial statements submitted for auditing.

OTHER REPORTS

Investigations

21. An investigation on the contracting of rental properties is being conducted by an independent consulting firm at the request of management. The investigation is still ongoing at the date of this report.



Pretoria

31 July 2014



Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Accounting Authority's Report

The Governing Body members submit their report for the year ended 31 March, 2014.

1. Establishment

The Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of Section 112 of the Labour Relations Act 66 of 1995 (as amended) (LRA) for the purpose of advancing economic development, social justice and labour peace in the workplace: fulfilling the primary objects of the LRA, which are to give effect to and regulate the fundamental rights conferred by Section 23 of the Constitution of the Republic of South Africa of 1996 (as amended).

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 its activities;
- Accredite and consider applications for subsidy by bargaining councils and private agencies;
- Provide support for the Essential Services Committee.

The CCMA's discretionary statutory functions are to:

- Supervise ballots for unions and employer organisations;
- Provide training and information relating to the primary objective of the LRA;
- Advise a party to a dispute about the procedures to follow;
- Offer to resolve a dispute that has not been referred to the CCMA;
- Publish guidelines on any aspect of the LRA and to make rules.

The shifting labour market has required of the organisation, with its core business being to deal with workplace disputes as effectively and efficiently as possible, to respond with creative and innovative solutions to the persistent increase in service demand, while remaining within allocated resources. In the last four years the organisation has been constantly challenged by an ever-increasing workload as well as an expansion of its mandate. This has been further compounded by the increased complexity of mediation processes with a intertwining of workplace demands and community needs. This demonstrates the pressure that the CCMA operates under and is required to continually align itself to prevailing market imperatives, while still delivering on its core mandate.

2. Performance information

The Treasury Regulations requires that an Accounting Officer of a public entity must prepare a strategic plan for the forthcoming medium-term expenditure framework (MTEF) period and submit it for approval to the relevant Executive Authority.

Accounting Authority's Report

2. Performance information (continued)

The CCMA Director and Governing Body has prepared a Strategic Plan, which runs from April 2010 to March 2015. The plan referred to as the Siyaphambili Strategy, has been implemented to provide strategic direction for the CCMA for 5 years from April 2010 to March 2015. This strategy completed its fourth year at the reporting date of 31 March 2014. The key highlights, achievements and challenges of the implementation of the strategy during the 2013/14 financial period are outlined in the Chairperson's and Director's reports, which form part of the annual report.

Achievement of the strategic targets was assessed against the CCMA scorecard for Siyaphambili, which is comprised of three (3) strategic goals and six (6) strategic objectives. The three goals (3) and their concomitant objectives are as follows:

> Goal 1: We will position the CCMA to impartially promote social justice and economic development in the world of work.

SO1 - Enrich the role of the CCMA in the labour market.

> Goal 2: We will deliver professional, user-friendly, quality services with speed.

SO2 - Build skills to achieve professionalism.

SO3 - Deliver excellent service rooted in social justice, ensuring a balance between quality and quantity.

> Goal 3: We will maintain organisational effectiveness and strive for continuous improvement.

SO4 - Enhance and entrench internal processes and systems for optimal deployment of resources.

SO5 - Align the structure that will enable optimal implementation of the strategy.

SO6 - Entrench an organisational culture that supports the delivery of our mandate.

3. Review of activities

Main business and operations

3.1 Dispute resolution operations review

The 2013/2014 financial year saw the stabilisation and improvement of operations in nearly all regional offices. For the first time, all offices achieved 80% or more of the measured targets. Two offices were opened in Welkom and the Vaal as part of the improvement in accessibility programme.

All comparisons are against the previous (2012/2013) financial year.

3.1.1 Referrals

The case referral rate and in jurisdiction cases increased by 1% and 3% respectively, indicating a stabilisation of the number of referrals. This translates to an average of 680 (679 for the previous year) new cases referred every working day. Non-jurisdictional cases dropped by 5%, which added to the workload.

East London experienced an increase of 22% in its case load, while both Port Elizabeth and Pietermaritzburg's increased by 11% each. The Eastern Cape, as a region, increased by 16%. Richards Bay's case load dropped by 24%, while there were marginal decreases in other regions.

Accounting Authority's Report

3.1.2 Pre-conciliations

The actual number of pre-conciliations heard increased by 2% and the number settled increased by a significant 23%. Most regions consistently met this target throughout the period under review.

The Ekurhuleni office achieved the highest settlement for pre-conciliations of their jurisdictional cases at 16%.

3.1.3 Con/arbs

Con/arbs heard increased by 10% and the number of cases finalised in one event (the primary objective of the con/arb process) increased by 12%. Total objections to the con/arb process decreased by 13%, while objections by the employer decreased by 15% and increased by 23% by the employee.

The Newcastle office finalised the highest number of cases (54%) in a single event. The East London office improved the finalisation of cases in one event by 17%, quite a feat in a year. While the uptake of the con/arb process has been relatively slow since its inception in 2002, it has nevertheless increased progressively over the last few years. The impact of the new amendments ought to see an increase of the utilisation of this process in the 2014/2015 financial year.

3.1.4 Conciliations

Some 129 000 cases were scheduled for the conciliation process. Of these, just 91 (0.07%) were scheduled outside the statutory 30 day period.

The finalisation of conciliation cases (those that were heard and closed) improved by 2%. Of note is the increased number of cases that were settled (10%). Cases withdrawn and settled by the parties increased by 14% each. Cases settled by parties decreased by 63%, while commissioners settled 9% compared to the previous year.

The Cape Town office achieved the highest improvement of settling cases (11%) at the conciliation phase.

3.1.5 Settlement rate

The actual number of cases settled increased by 9%. The final settlement rate stands at 75%, a 2% improvement over the previous year.

The Port Elizabeth office achieved the highest settlement rate at 82%, while the office that most improved its settlement rate was East London (by 8%).

3.1.6 Arbitrations

The number of arbitrations heard increased from the previous year by 1%. The late awards (submitted by commissioners) decreased by a noteworthy 36% and this area continues to be tightly managed nationally. Of the total 17 493 awards rendered, just 11 were submitted late. The late awards sent to parties has also been reduced by a significant 164%. The use of Heads of Argument also reduced by 2%. All regions have this area firmly managed.

Accounting Authority's Report

3.1.7 Other

CCMA s143 certifications decreased by 4% while bargaining council certifications decreased by 31%. Postponements and rework of cases were well managed in the regions and were respectively reduced by 3% and 9%. The Call Centre continues to add value in terms of providing a real time query to the public. Interestingly, the 'email query' facility saw a 6% increase in usage.

3.2 Grant income

Government grant income allocated to the CCMA for the financial year under review has increased by 24% from the 2012/13 base financial year to R595 million.

3.2.1 Case disbursement

Case disbursement expenditure grew by 26 percent, year-on-year, from R192 million to R241 million due to the appointment of new commissioners, annual commissioner fee increases and the increased utilisation of part-time commissioners to meet the increased inflow of cases. The case referral rate and jurisdiction cases both increased, translating to an average of 680 new cases referred every working day, an increase of 1 percent from the previous year.

The average cost per referred case increased by 13 percent from the previous year and the average cost per settled case increased by 4 percent from the previous year.

During the year, additional referred cases from new offices in Vaal and Welkom area contributed 468 and 565 cases to case load respectively.

3.2.2 Employee costs

The multi-year agreement with the CSA for the year was a 5 percent across-the-board (ATB) increase with a performance-based salary increase of 0,5 percent, for a performance rating of 3, 1,5 percent for a performance rating of 4 and three percent for a performance rating of 5. The agreement has assisted in stabilizing and giving certainty to existing staff costs.

The intake of staff for new offices in Welkom and Vaal triangle area, support staff for Employment Security Unit, Labour Law Amendments and Roll out of Web-enabled Case Management system projects, ATB and performance-based salary increases contributed to a 13,1 % year-on-year increase in employee costs.

3.2.3 Administrative expenses

Administration expenditure increased by 8 percent, year-on-year, which is a result of the five new projects undertaken by the CCMA. The opening of the two new offices (Vaal and Welkom) contributed to the increase in administrative expenses from the previous year.

Accounting Authority's Report

3.3 Legal Services

Legal Services consists of six departments. These are:

Litigation and Contracts Department tasked with instituting and/or defending litigation for and against the CCMA, as well as ensuring that all contracts entered into are compliant with relevant legislation, treasury regulations and policy. It also provides legal advice and support to the CCMA, when required.

Arbitration and Post-hearing Department supports and assists CCMA commissioners in keeping abreast of recent jurisprudential developments as well as updating the Practice and Procedure Manual, the Case Law Monitor for Commissioners and distributing Practice Notes. Members of the Department participate in annual law conferences, case law monitor sessions and other information sharing workshops.

Councils and Agencies Department is tasked with implementing the accreditation and subsidy function of the Governing Body. This includes accreditation of Bargaining Councils and Private agencies, as well as ongoing monitoring in relation to accredited entities compliance with the accreditation criteria. The department also evaluates and pays out subsidies to agencies that meet the subsidy policy. For the period under review four private agencies were accredited. A milestone as this was a first since the implementation of this LRA. This department also supports councils by certifying arbitration awards in terms of section 143.

Essential Services Committee (ESC) is tasked with designating services which are considered essential with reference to the definition provided in Section 213. The Essential Services Committee currently consists of the Chairperson, Mr. Luvuyo Bono and nominated members from the respective social partners. The CCMA is required to supply administrative support to the committee in terms of the current law. The upcoming amendments significantly change the role of the CCMA. In addition to a stronger governance role, they envisage a full time Senior Commissioner supporting the committee of social partners in the committees work.

Employment Law Amendments Department ensures that all commissioners and users are kept abreast of all Employment Law Amendments. Specialist training manuals on Sections 21 & 22 and 198 of the LRA have been designed as well as a specialist training manual on the Employment Equity Amendment Act with the purpose of offering training to identified specialist commissioners. In addition, this department offers support to the CCMA as an Employer in preparation of the anticipated amendments to the Employment Laws. The amendments require concomitant amendments to the CCMA Rules and the department is responsible for supporting the Governing Body in drafting, negotiating and gazetting any changes to the rules.

Employment Equity Amendments Department was created as a result of the upcoming amendments to the Employment Equity Act. The CCMA will now have jurisdiction to arbitrate these matters and this will in line with their intention be ground breaking, and will require skilled oversight from this department. The role of this department is therefore central to ensuring commissioners interpret and apply the Employment Equity amendments and its related regulations consistently.

Accounting Authority's Report

3.4 Capacity Building and Outreach

This cluster consists of four departments/units, namely the Education and Training Department (ETD), Training Development Unit (TDU), Dispute Management and Prevention Department (DM&P) and the Employment Security Unit (ESU).

The ETD responsible for the development of staff at all levels played a strategic role in addressing organisational training needs. Out of the total number of seventy one (71) learners who attended the Candidate Commissioner training, sixty six (66) candidates (92%) were successful. Existing Commissioners participated in Persuasion Skills and Conciliation of Unfair Discrimination training. A total of five Management Capacity Building Initiatives were successfully delivered. In advancing the development of women ETD facilitated the participation of thirty (30) female employees from various levels in Women's Development and Empowerment Programmes. Furthermore, training and awareness raising interventions that aimed at creating Diversity Awareness and the promotion of CCMA Values for all staff members were delivered. During this period two E-Learning programmes focusing on CCMA Induction and Microsoft usage, were delivered. In addition, Forty one (41) bursaries and three study loans were awarded.

The TDU which designs and develops training materials for both internal and external capacity, also made significant progress in signing memoranda of agreement with four public universities for the development and delivery of the Labour Dispute Resolution Practice programme, as well as the preparation of a range of new training courses. This included courses on diversity awareness raising, unfair discrimination and the statutory labour law amendments. A further key achievement was the large number of courses piloted, further updated and qualitatively enhanced. Positive feedback was received relating to the quality of training material.

Persistently high numbers of retrenchments confirm the need for a dedicated Employment Security Unit (ESU) at national level to promote a holistic approach to dealing with situations of job insecurity. The CCMA facilitated 515 large-scale retrenchments - a significant 38 per cent increase in section 189A referrals compared with 377 in the previous year. These included the high profile Anglo American Platinum retrenchment consultations where some 14, 000 jobs were at stake. There were 6,255 small-scale referrals (section 189), a 4.8 per cent increase from last year. The CCMA processed 42 Training Layoff Scheme (TLS) applications involving 6,404 workers and recommended 31 cases involving 5,728 workers. The most significant TLS intervention during 2013-2014 was undoubtedly that of Mercedes Benz SA and 10 service provider companies in the East London region, affecting 2,370 workers. Blockages with the processing of TLS applications at the post-CCMA stage unfortunately continued and increased in severity.

Accounting Authority's Report

3.4 Capacity Building and Outreach (continued)

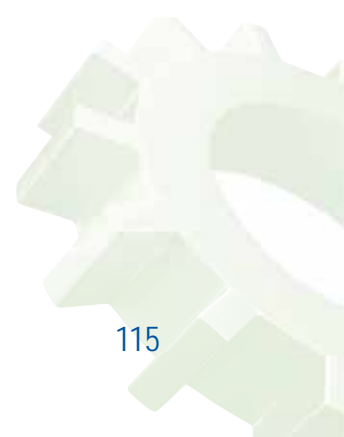
The DM&P Department responsible for the proactive management of workplace disputes from the workplace to the hearing rooms through capacity building, problem solving and awareness raising conducted a total of one thousand eight hundred and sixty two (1 862) activities across all regions during the year under review, including user and sector forum meetings, summits, radio talk-shows, road shows, izimbizo meetings, best practice workshops, short session presentations, breakfast and labour law seminars, building workplace relations facilitated exercises, managing conflict in the workplace capacity building and dealing with unfair discrimination in the workplace training. A new and important development linked to the CCMA's workplace transformation focus was the establishment of a decent work initiative, which stands to be a central aspect to the CCMA workplace transformation focus moving forward. This was initiated through a two day Sector Summit for trade unions and employers in the Contract Cleaning Sector, convened by the CCMA and the International Labour Organisation (ILO). What was from all accounts a key high impact intervention was the establishment and delivery of a CCMA/SABC awareness raising campaign targeting vulnerable workers.

3.5 Mediation and Collective Bargaining

The Mediation & Collective Bargaining department provides support and guidance for all conciliation and mediation processes and promotes, supports and assists in collective bargaining matters. The department supports the organisational strategy by contributing to Strategic Objective 1 'Enrich the role of the CCMA in the Labour Market' and Strategic Objective 3 'Deliver excellent service rooted in social justice ensuring a balance between quality and quantity'. In the year under review seven out of nine targets were achieved in respect of the two Key Performance Areas relating to these Strategic Objectives.

The department's efforts yielded positive operational results in a year that was characterized by a challenging and volatile labour market. Operational highlights for the period include an improvement in the conciliation settlement rate over the previous financial year. Despite a challenging collective bargaining season particularly in the mining sector, a significant improvement was noted in the settlement of collective bargaining disputes generally and public interest matters over the previous financial year.

Other significant achievements included the launch of a structured approach to monitoring labour market developments, piloting of a process to improve collective bargaining in the Civil Engineering sector and facilitating industry sustainability talks in the Glass sector.



Accounting Authority's Report

3.6 Corporate Services

3.6.1 Human Resources

(a) Commissioner Recruitment

In terms of the Labour Relations Act 66 of 1995 the recruitment and termination of Commissioners is the exclusive function of the Governing Body and this structure plays a central role throughout the commissioner recruitment process. 1311 applicants applied for appointment as commissioners in the year under review. Recruitment of this nature is run as a special project. It has various stages, with the final one being an interview with the Governing Body. Appointments are confirmed once training and mentorship have been passed. The organisation advertises positions regularly whereby vacancies are filled in terms of full and part time commissioners. It is a policy of the organisation that there is no automatic renewal of contracts when they expire, but that all commissioners are required to re-apply for new contracts where performance is evaluated.

(b) Employee Relations

The second year of the three (3) year Substantive and Wage Agreement between the Commission Staff Association (CSA) and Management was implemented successfully. The parties continue to engage on outstanding issues resultant from the multi-term agreement. A healthy employee relations environment continues to prevail.

(c) Employment Equity

A five-year Employment Equity Plan (2011-2016) was approved by the Governing Body and implemented. The Annual Employment Equity Report was also submitted to the Department of Labour. A new Chairperson was appointed to the Employment Equity Committee and other new members were appointed with the aim of ensuring that employment equity issues are given prominence in the organisation. The targets are being met or exceeded in most categories.

3.6.2 Facilities

This area covers the management of leases, travel management, security, pool vehicle management, Occupational Health and Safety and asset procurement (furniture, electronic equipment and small assets). And for this financial year, certain community social responsibility tasks.

A specific focus was placed on evaluating and ensuring adequate occupational health and safety compliance. This saw a significant improvement in all offices preparing and paying attention to safety. Nationally challenges with lifts were experienced, and a contractor was procured to inspect, evaluate lifts for safety and give reports. Where corrective work was identified the relevant landlords were required to undertake the necessary maintenance work to ensure their safety for use.

A high level security audit was conducted to begin the process of upgrading and ensuring all offices and personnel were adequately protected.

The oversight of awarding and installations in three major offices was undertaken, i.e. Cape Town (new premises installation), Johannesburg (renovations) and commencement of tenant installation in KZN Durban and Pietermaritzburg offices (new premises), NW Klerksdorp office (old premises renewal). Furthermore support was given to the Johannesburg and Free State offices where two new offices, Vaal and Welkom, were opened. Other work in lease management involved initiating the lease extension processes for satellite offices, George in the Western Cape, New Castle and Port Shepstone in KZN and leases for two venues, that is, Tzaneen in Limpopo and Nelspruit in Mpumalanga.

Accounting Authority's Report

3.7 Strategy

This is the first year that a standalone department has operated. The office was significantly responsible for ensuring drafting, updating, monitoring, and developing the quarterly and annual scorecard and delivery of the requirements of the Siyaphambili strategy. The focus on the alignment of planning, budgeting and reporting has resulted in a further strengthening of the institutional strategic management, governance compliance and performance reporting. A highlight of the year has been the increased performance achieved against Key Performance Areas set with 95% of annual targets set for this year achieving a 100% or more delivery rate. The long-time clean compliance submission record held by the CCMA was continued with the Annual Performance Plan, Strategic Plan and Annual Report requirements timeous delivery prior to the respective submission dates as determined by the National Treasury. The department planned, outlined a programme and commenced development of the broad mandate document into the strategic plan for 2015 -2020, with the Governing Body.

A policy management programme has been implemented to enhance the policy adoption process and build on the policy administration systems. This has resulted in 17 organisational policies being adopted or updated during this year.

4. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

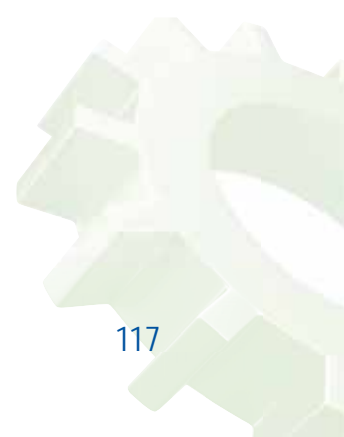
5. Accounting policies

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) replacing the equivalent SA GAAP Statement as the prescribed framework by National Treasury.

6. Non-current assets

There were no major changes in the nature of the non-current assets of the CCMA during the year under review. The policies applied are consistent with the previous years.

Capital expenditure for the year amounted to R28 758 thousand (2013: R7 609 thousand). Full details of the non-current assets are contained in notes 13 and 14 to the financial statements.



Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Accounting Authority's Report

7. Accounting Authority

The members of the entity during the year, and to the date of this report, are contained in the Governance Report.

Name	Nationality
Mr. Daniel Dube (Chairperson of the Governing Body)	South African
Ms. Nerine Kahn (Director)	South African
Mr. Thembinkosi Mkalipi	South African
Mr. Ian Macun	South African
Ms. Ntsoaki Mamashela	South African
Mr. Elias Monage	South African
Mr. Kaizer Moyane	South African
Ms. Aruna Ranchod	South African
Mr. Narius Moloto	South African
Mr. Bheki Ntshalintshali	South African
Mr. Leon Grobler	South African

8. Corporate governance

General

The accounting authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting authority supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa. The accounting authority discusses the responsibilities of management in this respect at Board meetings and monitors the entity's compliance with the code on a quarterly basis.

Chairperson and chief executive

The Chairperson is a non-executive and independent chairperson, as defined by the Code and the Labour Relations Act.

The roles of Chairperson and Director are separated, with responsibilities divided between them to ensure that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the Director, who is the only Accounting Officer of the CCMA, is determined by the Human Resources Committee, in consultation with the Governing Body.

Executive meetings

The accounting authority met on five separate occasions during the financial year and is scheduled to meet at least four times per annum.

Governing Body members have access to all management members of the entity.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Accounting Authority's Report

8. Corporate governance (continued)

Audit committee

During the current financial year, the chairperson of the Audit Committee was Adv. Shami Kholong. The committee met at least four times during the financial year as per its approved terms of reference. The committee consisted of the following members:

Adv. Shami Kholong

Chairperson (Independent)

Mr. Velile Pangwa

Member of the Committee (Independent)

Mr. Freddie Petersen

Member of the Committee (Government)

Mr. Jim Wilson

Member of the Committee (Organised Business)

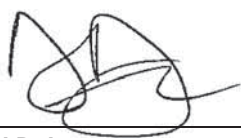
Ms. Ramona Clark

Member of the Committee (Organised Labour)

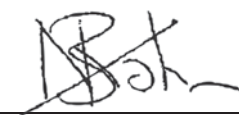
9. Auditors

We are advised that the Auditor-General of South Africa will continue in office for the next financial period.

The annual financial statements set out on pages 102 to 158, which have been prepared on the 'going concern' basis, were approved by the Accounting Authority on 31 July 2014 and were signed on its behalf by:



Mr Daniel Dube
Chairperson of Governing Body
31 July 2014



Ms Nerine Kahn
Director

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Statement of Financial Position as at 31 March 2014

	Note(s)	2014 '000	2013 '000
Assets			
Non-Current Assets			
Property, plant and equipment	13	34,453	19,486
Intangible assets	14	7,233	5,098
		41,686	24,584
Current Assets			
Inventories	15	1,138	1,141
Trade and other receivables from exchange transactions	16	114	249
Prepayments	17	4,967	856
Cash and cash equivalents	18	79,921	71,702
		86,140	73,948
Total Assets		127,826	98,532
Liabilities			
Non-Current Liabilities			
Operating lease liability	19	14,369	17,330
Current Liabilities			
Operating lease liability	19	1,111	2,927
Trade and other payables from exchange transactions	20	62,596	53,503
Provisions	21	15,196	15,839
		78,903	72,269
Total Liabilities		93,272	89,599
Net Assets		34,554	8,933
Net Assets			
Accumulated surplus		34,554	8,933

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Statement of Financial Performance

	Note(s)	2014 '000	2013 '000
Revenue			
Government grants	2	595,000	481,637
Rendering of services	3	2,741	2,466
Other income	4	3,622	5,712
Total revenue		601,363	489,815
Expenditure			
Employee related costs	5	(187,139)	(164,239)
Administration	6	(116,932)	(110,813)
Depreciation and amortisation	7	(11,223)	(8,279)
Subsidies	8	(4,661)	(5,496)
Operating expenses	9	(263,104)	(219,650)
Total expenditure		(583,059)	(508,477)
Surplus on sale of assets and liabilities	10	133	25
Income from investments	11	7,184	9,837
Surplus/(Deficit) for the year		25,621	(8,800)

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Statement of Changes in Net Assets

	Accumulated surplus
	'000
Balance at 31 March 2012	17,733
Deficit for the year as previously reported	(8,800)
Balance at 31 March 2013	8,933
Surplus for the year	25,621
Balance at 31 March 2014	34,554

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Cash Flow Statement

	Note(s)	2014 '000	2013 '000
Cash flows from operating activities			
Cash receipts			
Government grant		595,000	481,637
Interest income		7,184	9,837
Services and other receipts		4,608	8,178
		606,792	499,652
Payments			
Employee costs		(178,341)	(163,094)
Suppliers		(387,379)	(326,262)
Subsidies		(4,661)	(5,496)
		(570,381)	(494,852)
Net cash flows from operating activities	22	36,411	4,800
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(25,158)	(7,119)
Disposal of property, plant and equipment	13	433	1,389
Proceeds from sale of property, plant and equipment		133	25
Purchase of other intangible assets	14	(3,600)	(490)
Net cash flows from investing activities		(28,192)	(6,195)
Net increase/(decrease) in cash and cash equivalents		8,219	(1,395)
Cash and cash equivalents at the beginning of the year		71,702	73,097
Cash and cash equivalents at the end of the year	18	79,921	71,702

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
	'000	'000	'000	'000	'000	

Statement of Financial Performance

Revenue

Rendering of services	5,127	-	5,127	2,741	(2,386)	28
Other income	7,717	-	7,717	3,622	(4,095)	28
Government grants & subsidies	575,466	-	575,466	595,000	19,534	28
Total revenue	588,310	-	588,310	601,363	13,053	

Expenditure

Employee related costs	(184,928)	-	(184,928)	(187,139)	(2,211)	28
Administration	(120,012)	-	(120,012)	(116,932)	3,080	28
Depreciation and amortisation	(9,632)	-	(9,632)	(11,223)	(1,591)	28
Subsidies	(4,600)	-	(4,600)	(4,661)	(61)	28
Operating expenses	(280,290)	-	(280,290)	(263,104)	17,186	28
Total expenditure	(599,462)	-	(599,462)	(583,059)	16,403	
Operating surplus	(11,152)	-	(11,152)	18,304	29,456	
Surplus on sale of assets and liabilities	-	-	-	133	133	28
Income from investments	11,152	-	11,152	7,184	(3,968)	28
	11,152	-	11,152	7,317	(3,835)	
Surplus	-	-	-	25,621	25,621	28

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

These accounting policies are consistent with the previous period.

1.1 Expenditure

Expenditure is recognised on the accrual basis.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Accounting Policies

1.2 Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

Revaluations are conducted annually and the revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to the accumulated surplus/deficit as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Accounting Policies

1.2 Property, plant and equipment (continued)

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Average useful life
Furniture and fittings	3 to 16 years
Motor vehicles	5 years
Office equipment	2 to 16 years
IT equipment	3 to 16 years
Leasehold improvements	5 years

Leasehold improvements are amortised over the shorter of the asset's useful lives and the lease term. The residual value, and the useful life and depreciation of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

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

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

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

1.3 Intangible assets

An asset is identifiable as an intangible asset if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Accounting Policies

1.3 Intangible assets (continued)

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	3 to 11 years
Computer software	3 to 11 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.4 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial assets and liabilities are recognised on the entity's statement of financial position when the entity becomes a party to the contractual provisions for the instrument.

Accounting Policies

1.4 Financial instruments (continued)

Financial instruments are initially measured at fair value, which include transaction costs, except for those financial assets or liabilities classified as fair value through surplus or deficit, which are initially measured at fair value.

Subsequent measurement

Financial instruments are initially measured at fair value, which includes transaction costs, except for those financial assets or liabilities classified as fair value through surplus or deficit, which are initially measured at fair value.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. 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. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is unrecoverable, it is written off against the bad debts expense or, when specifically provided for, it is against the provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Leave pay accrual

The leave pay accrual has been determined based on the total annual leave days outstanding. Only 30 days can be encashed or the total annual leave days can be taken by employees.

Accounting Policies

1.5 Tax

Current tax assets and liabilities

No provision for income tax has been made as the Commission for Conciliation, Mediation and Arbitration (CCMA) is exempt in terms of section 10(1)(cA)(b) (ii) of the Income Tax Act, 1962.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred. The Commission for Conciliation, Mediation and Arbitration only has operating leases. Rental payable under operating leases are charged to surplus or deficit on a straight-line basis over the term of the relevant lease.

All operating lease contracts entered into by the Commission for Conciliation, Mediation and Arbitration contain market review clauses in the event that the Commission exercises its option to renew. The Commission does not have an option to purchase the leased property at the expiry of the lease period.

1.7 Inventories

Inventories consisting of consumables are stated at the lower of cost and net realisable value. Inventories are valued on the weighted average cost basis.

Accounting Policies

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense, as the employees render services that increase their entitlement or, in the case of non-accumulating sick leave, when the absence occurs.

Defined contribution plans

The Commission for Conciliation, Mediation and Arbitration (CCMA) operates a defined contribution plan, the assets of which are held in separate trustee-administered funds.

Payments to defined contribution retirement plans are charged to the statement of financial performance in the year to which they relate.

1.9 Provisions and contingencies

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time-value-of-money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time-value-of-money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Accounting Policies

1.9 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

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

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

Contingent liability

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liability is disclosed in note 32.

Provisions and accruals

Provisions are based on management's best estimate of the likely amount that the entity is liable for at year-end. This is based on supporting documentation and management experience with similar transactions.

Litigation

The litigation provision is based on the estimated cost of attorneys for completing cases against the CCMA

Cases in process

This estimate is based on the average cost of completing cases for the CCMA, based on the expected mix of cases, the average time spent per case and the incremental costs to be incurred for finalisation of these cases.

Bonuses

Performance bonuses are paid to employees who have a rating of three and above. The rating ranges from one to five, where one is poor and five is excellent.

1.10 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Accounting Policies

1.10 Revenue from exchange transactions (continued)

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- The stage of completion of the transaction at the reporting date can be measured reliably
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified timeframe, revenue is recognised on a straight-line basis over the specified timeframe, unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

1.11 Revenue from non-exchange transactions

Government grants are recognised as income over the periods necessary to match the grant with the related costs that they are intended to compensate.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient, as specified, or future economic benefits or service potential must be returned to the transferor.

Accounting Policies

1.11 Revenue from non-exchange transactions (continued)

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity, without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Deferred income

When accounting for government grants/transfers received, a recipient entity has to determine the substance of the transaction. An entity must analyse all the stipulations contained in the transfer agreement to determine which option it must utilise. Deferred grant income is recognised as a liability only when there are conditions attached to the government grant specifying that the entity should either: (i) Consume the future economic benefits or service potential of the asset as specified; or (ii) Return future economic benefits or service potential to the transferor in the event that the conditions are not met.

Accounting Policies

1.12 Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- nature of the event.
- estimation of its financial effect or a statement that such an estimation cannot be made.

1.13 Unauthorised expenditure

Unauthorised expenditure means:

- Overspending of a vote or a main division within a vote
- Expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.14 Fruitless and wasteful expenditure

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

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

1.15 Irregular expenditure

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

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

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Accounting Policies

1.15 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.16 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade and other receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The provision for bad debt was calculated on 100 percent of debtors over 90 days.

Accounting Policies

1.16 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provision shall be recognised when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

Additional disclosure of these provisions are included in note 21.

Property, plant and equipment

The entity estimates that the useful life of the property, plant and equipment, being the period of time for which the assets can be utilised without significant modifications or replacements, has been extended by one year owing to current and future levels of usage.

Intangible assets

The entity estimates that the useful life of intangible assets is 11 years, based on projected levels of usage of the software.

Leave pay

The leave pay accrual is based on the total annual leave days due to employees. Only 30 working days annual leave can be encashed upon leaving the CCMA but the total accumulated annual leave days can be taken by employees while still employed by the CCMA.

Litigation Costs

Litigation costs are based on the estimated costs for legal fees are based on the probable costs payable on completion of cases against the CCMA.

Cases in Process

This estimate is based on the average cost for the CCMA to complete cases and is based on the expected mix of cases, the average time spent per case and the incremental costs to be incurred for finalisation of these cases.

Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Accounting Policies

1.17 Budget information

The approved budget is prepared on a accrual basis and presented by functional classification. The approved budget covers the fiscal period from 4/1/2013 to 3/31/2014.

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

1.18 New standards and interpretations

Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2014 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

The effective date of the standard has not been set by the Minister of Finance.

Accounting Policies

1.18 New standards and interpretations (continued)

GRAP 20: Related party disclosures

The objective of this Standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this Standard referred to as the reporting entity) shall apply this Standard in:

- (a) identifying related party relationships and transactions;
- (b) identifying outstanding balances, including commitments, between an entity and its related parties;
- (c) identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- (d) determining the disclosures to be made about those items.

This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This Standard also applies to individual financial statements.

The effective date of the standard has not been set by the Minister of Finance.

GRAP 105: Transfer of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. An acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or event that meets the definition of a transfer of functions.

This Standard does not apply to:

- transfers of individual or groups of assets and/or liabilities that do not meet the definition of a transfer of functions;
- a transfer of functions between entities not under common control; and
- a merger

The effective date of the standard has not been set by the Minister of Finance.

GRAP 106: Transfer of functions between entities not under common control

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or other event that meets the definition of a transfer of functions.

Accounting Policies

1.18 New standards and interpretations (continued)

This Standard does not apply to:

- transfers of individual or groups of assets and/or liabilities that do not meet the definition of a transfer of functions.
- a transfer of functions undertaken between entities under common control;
- a merger; and
- the formation of a joint venture

A transfer of functions undertaken between entities not under common control could involve an acquisition or transfer of another entity or the acquisition or transfer of part of another entity.

The effective date of the standard has not been set by the Minister of Finance.

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger. A combined entity and combining entities that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to a transaction or event that meets the definition of a merger where no acquirer can be identified.

This Standard does not apply to:

- a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control); and
- a transfer of functions between entities not under common control (see the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control).

A transaction or event for where no acquirer can be identified falls within the scope of this Standard. A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. Determining whether an acquirer can be identified includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. A merger can either involve the combination of two or more entities in which one of the combining entities continues to become the new reporting entity, or a new reporting entity is established from the combining entities. The concept of control and a function is not relevant in a transaction or event that meets the definition of a merger. A transaction or event in which an acquirer can be identified and that involves control should be accounted for in terms of the Standards of GRAP on Transfer of Functions Between Entities Under Common Control or Transfer of Functions Between Entities Not Under Common Control.

The effective date of the standard has not been set by the Minister of Finance.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

2. Government grant

Grant income from non-exchange transactions	595,000	481,637
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3. Rendering of services

Revenue from exchange transactions	2,741	2,466
	2,741	2,466

4. Other income

EPP Project	1,569	5,002
Seminars and other sundry income	2,053	710
	3,622	5,712

5. Employee-related costs

Basic salaries	147,972	135,473
13th cheque election	1,224	1,107
Temporary staff	572	738
Leave pay provision charge	2,143	1,388
Post-employment benefits - Defined contribution pension plan	21,802	16,869
Medical aid - company contributions	10,062	5,271
UIF	759	622
WCA	895	819
SDL	1,535	1,365
Other salary related costs	175	587
	187,139	164,239

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Notes to the Annual Financial Statements

	2014	2013
	'000	'000

6. Administrative expenditure

General and administrative expenses	56,500	48,981
Governing Body	1,772	957
Auditors' remuneration	2,629	2,523
Travel and subsistence	16,460	11,342
Rentals in respect of operating leases		
- Buildings	31,685	39,147
- Fixtures and equipment	7,227	7,243
- Vehicles	659	620
	116,932	110,813

7. Depreciation and amortisation

Leasehold improvements	1,611	277
Motor vehicles	10	-
Furniture and fittings	1,649	1,132
Office equipment	1,327	1,163
IT equipment	5,199	4,706
Computer software	1,427	1,001
	11,223	8,279

8. Subsidies

CCMA Accredited Bargaining Councils - subsidy payments	4,661	5,496
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9. Operating expenses

Bad debts	-	173
Case disbursements - other expenses	80,312	69,642
Case disbursements - part-time fees	162,566	122,114
Consulting costs	4,254	7,744
EPP research expenses	1,845	379
Legal expenses	-	6,868
Loss on sales of non-current assets	222	1,387
Maintenance, repairs and running costs	8,062	6,854
Training	5,843	4,489
	263,104	219,650

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

10. Gains on sale of fixtures and equipment

Insurance recoveries	133	25
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11. Investment income

Total interest income was calculated using the effective interest rate on financial instruments, not at fair value, through surplus or deficit amounted to R7,184 (2013: R9,837).

Interest income

Bank deposits	7,184	9,837
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12. Auditors' remuneration

Current year	2,629	2,523
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13. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	21,312	(9,255)	12,057	17,786	(8,149)	9,637
Motor vehicles	50	(10)	40	-	-	-
Office equipment	5,701	(4,147)	1,554	5,098	(3,210)	1,888
IT equipment	24,840	(8,754)	16,086	8,237	(3,990)	4,247
Leasehold improvements	13,432	(8,716)	4,716	10,819	(7,105)	3,714
Total	65,335	(30,882)	34,453	41,940	(22,454)	19,486

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

2014	2013
'000	'000

13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Furniture and fittings	9,637	4,232	(163)	-	(1,649)	12,057
Motor vehicles	-	50	-	-	(10)	40
Office equipment	1,888	1,019	(26)	-	(1,327)	1,554
IT equipment	4,247	17,244	(244)	38	(5,199)	16,086
Leasehold improvements	3,714	2,613	-	-	(1,611)	4,716
	19,486	25,158	(433)	38	(9,796)	34,453

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Other changes and movements	Depreciation	Total
Furniture and fittings	8,995	2,101	(327)	-	(1,132)	9,637
Office equipment	2,248	697	(24)	130	(1,163)	1,888
IT equipment	7,732	2,248	(1,038)	11	(4,706)	4,247
Leasehold improvements	2,059	2,073	-	(141)	(277)	3,714
	21,034	7,119	(1,389)	-	(7,278)	19,486

Annually at the reporting date, the organisation recalculates a change in estimate and the necessary adjustments are processed prospectively.

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the CCMA.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

14. Intangible assets

	Cost	2014 Accumulated amortisation and accumulated impairment	Carrying value	Cost	2013 Accumulated amortisation and accumulated impairment	Carrying value
Computer software	13,562	(6,329)	7,233	10,040	(4,942)	5,098

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Computer software	5,098	3,600	(38)	(1,427)	7,233

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	5,609	490	(1,001)	5,098

15. Inventories

Consumable stores	1,138	1,141
Inventories recognised as an expense during the year	12,025	10,249

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

16. Trade and other receivables from exchange transactions

Trade debtors	114	339
Less: Provision for doubtful debts	-	(90)
	114	249

Trade receivables from exchange transactions past due but not impaired

Trade receivables which are less than three months past due are not considered to be impaired. At 31 March, 2014, R0 thousand (2013: R1 thousand) were past due but not impaired. Trade receivables which have not been impaired are considered to be collectable.

The ageing of amounts past due but not impaired is as follows:

One month past due	30	23
Two months past due	4	4
Three months past due	-	1

17. Prepayments

Refundable deposits	416	319
Payroll - Post pay date salaries	75	122
Licences	4,476	415
	4,967	856

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

18. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	78,704	70,495
Cash on hand	36	34
Pledged funds	1,181	1,173
	79,921	71,702

As required in section 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the local banks where the bank accounts are held.

The total amount of undrawn facilities available for future operating activities and commitments	1,899	1,230
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The total direct or contingent liabilities of the entity in respect of guarantees that may be entered into is R1 700 thousand asset base finance with Nedbank and R199 thousand with Standard Bank; these guarantees are in lieu of deposits on buildings leased by the CCMA.

The entity has an ABF facility of R1 700 thousand and letters of guarantee facility of R458 thousand with Nedbank. Standard Bank has provided the entity with Fleet lease maintenance facility of R3 000 thousand, Guarantee by bank facility of R199 thousand and a fleet card facility of R100 thousand.

	2014	2013
	'000	'000

19. Operating lease liability

Long-term lease obligation	(14,369)	(17,330)
Short-term lease obligation	(1,111)	(2,927)
	(15,480)	(20,257)

20. Trade and other payables from exchange transactions

Trade payables	10,620	12,886
Accruals: general expenses, bargaining councils and case disbursements	39,464	34,666
Learnership and project funds	80	80
Payroll creditors	10,709	3,294
Skills development levy	315	2,458
Workmen compensation	1,408	119
	62,596	53,503

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

21. Provisions

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Cases in process	12,339	15,196	(12,339)	15,196
Court Litigation	3,500	-	(3,500)	-
	15,839	15,196	(15,839)	15,196

Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Total
Cases in process	10,087	12,339	(10,087)	12,339
Court Litigation	-	3,500	-	3,500
	10,087	15,839	(10,087)	15,839

The cases in process refer to all open CCMA cases that have not been finalised at year-end. These cases will be finalised within the next 12 months. There is no expected reimbursement in respect of this provision.

The provision for court litigation refers to legal expenses to be incurred on cases that have not been finalised at year-end. There is no expected reimbursement in respect of this provision.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 '000	2013 '000
22. Cash generated from operations		
Surplus / (Deficit)	25,621	(8,800)
Adjustments for:		
Depreciation and amortisation	11,223	8,279
Surplus on sale of assets and liabilities	(133)	(25)
Income from investments	(7,184)	(9,837)
Movements in operating lease liability	(1,662)	4,462
Movements in provisions	(643)	5,752
Changes in working capital:		
Inventories	3	(252)
Trade and other receivables from exchange transactions	135	(75)
Prepayments	(4,111)	1,520
Trade and other payables from exchange transactions	5,978	(3,237)
Deferred income	-	(2,824)
Income from investments	7,184	9,837
	36,411	4,800

23. Commitments

Capital expenditure

Approved and contracted for

• Property, plant and equipment	17,501	40,648
• Intangible assets	-	5,045

Total capital commitments	17,501	45,693
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The capital expenditure was financed by government grants received from National Treasury through the Department of Labour. The commitments represent approved orders and contracts that are placed before year-end, invoiced and delivered in the new financial year.

Operational expenditure

Approved and contracted for

• Operational expenditure	-	4,678
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The operational expenditure was financed by government grants received from National Treasury through the Department of Labour. The commitments represent approved orders and contracts that are placed before year-end, invoiced and service provided in the new financial year.

Commission for Conciliation, Mediation and Arbitration (CCMA)

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	2014	2013
	'000	'000

23. Commitments (continued)

Other commitments

- within one year	1,346	4,158
- in second to fifth year, inclusive	1,351	2,595
	2,697	6,753

Operating leases – Buildings

Minimum lease payments due

- within one year	41,185	37,071
- in second to fifth year, inclusive	164,841	120,997
- later than five years	128,269	102,839
- Building leases approved and not contracted for	8,692	-
	342,987	260,907

Operating leases – Vehicles

Minimum lease payments due

- within one year	596	589
- in second to fifth year, inclusive	1,044	1,707
	1,640	2,296

Operating lease - Fixtures and Equipment

Minimum lease payments due

- within one year	6,375	9,172
- in second to fifth year, inclusive	12,521	-
	18,896	9,172

Operating lease payments represent rentals payable by the CCMA for office properties, vehicles and equipment. Leases are negotiated for an average term of five years and rentals are smoothed over the term of the lease.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

24. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Loans and receivables	Total
Trade and other receivables	114	114
Cash and cash equivalents	79,921	79,921
	80,035	80,035

2013

	Loans and receivables	Total
Trade and other receivables	339	339
Cash and cash equivalents	71,702	71,702
	72,041	72,041

Commission for Conciliation, Mediation and Arbitration (CCMA)

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2014	2013
'000	'000

25. Members' emoluments

The CCMA does not pay a salary to non-executive board members, however, expenses incurred are compensated as an allowance.

Executive

2014

	Salary	Pension paid or receivable	Expense allowances	Performance bonus	Total
Director: N Kahn	1,445	223	100	302	2,070
CFO: N Boikhutso	1,126	172	1	137	1,436
NSC: Operations: R Bernickow	1,365	187	44	153	1,749
GM: Operations: N Govender	1,221	186	52	153	1,612
NSC: Dispute Resolution & Legal: E Zuydam	1,220	-	159	132	1,511
NSC: CBO: J Daphne	1,102	168	-	138	1,408
NSC: Mediation: A Soobedaar	1,049	160	6	131	1,346
CAE: S Hlalele	1,178	-	-	128	1,306
GM: Corporate services: I Masege (Resigned 28 Feb 2014)	1,068	93	6	132	1,299
Acting NSC: Dispute resolution & Legal: C Morajane (Appointed 1 Sep 2013)	538	68	1	91	698
	11,312	1,257	369	1,497	14,435

2013

	Salary	Pension paid or receivable	Expense allowances	Performance bonus	Total
Director: N Kahn	1,263	196	82	361	1,902
CFO: N Boikhutso	976	150	8	97	1,231
NSC: Operations: R Bernickow	1,275	174	18	123	1,590
GM: Operations: N Govender	1,131	174	12	123	1,440
NSC: Dispute resolution & legal: E Zuydam	1,128	-	72	86	1,286
NSC: CBO: J Daphne	1,020	157	2	90	1,269
GM: Corporate services: I Masege	976	152	3	106	1,237
NSC: Mediation: A Soobedaar	970	149	13	86	1,218
CAE: S Hlalele	1,077	-	-	100	1,177
	9,816	1,152	210	1,172	12,350

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

25. Members' emoluments (continued)

Non-executive

2014

	Emoluments	Pension paid or receivable	Expense allowances	Gain on exercise of options	Total
Chairperson:T Cohen (Term of office expired 31 May 2013)	-	-	18	-	18
Acting chairperson:E Monage (1 Jun to 30 Sep 2013)	-	-	43	-	43
Chairperson:D Dube (Appointed 1 Oct 2013)	-	-	120	-	120
Business representatives on Governing Body	-	-	287	-	287
Labour representatives on Governing Body	-	-	198	-	198
Government representatives on Governing Body (*)	-	-	-	-	-
	-	-	666	-	666

2013

	Emoluments	Pension paid or receivable	Expense allowances	Gain on exercise of options	Total
Chairperson: T Cohen	-	-	141	-	141
Business representatives on Governing Body	-	-	134	-	134
Labour representatives on Governing Body	-	-	148	-	148
Government representatives on Governing Body (*)	-	-	-	-	-
	-	-	423	-	423

* No expense allowances were paid to government representatives on the Governing Body.

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

26. Financial instruments

Fair values

The carrying amounts of the following instruments, net of provision for losses, approximate their fair value:

- Bank balances, cash deposits and facilities without specified maturity dates bearing interest at market related rates.
- Accounts payable is subject to normal trade credit terms and relatively short-term payment cycle. Due to the short term nature of the organisation's trade and other payables, amortised cost approximates fair value.
- Accounts receivable - subject to normal trade credit terms, and provisions are made for long outstanding debts. Due to the short term nature of the organisation's trade and other receivables, amortised cost approximates fair value.

Credit risk

The entity's cash and cash equivalents are placed with high quality financial institutions.

The entity does not have significant exposure to any individual customer.

The carrying amounts of financial assets, included in the statement of financial position, represent the entity's exposure to credit risk in relation to these assets.

Liquidity risk

Liquidity risk is considered to be minimal. Regular cash flow forecasts are prepared to ensure that sufficient cash is available

Other risks

Due to the nature and extent of the organisation's financial instruments, it is not unduly exposed to price risks, interest rate risk and foreign currency risks.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

27. Related parties

Relationships

Controlling entity

Entities with common control

Department of Labour

Unemployment Insurance Fund

Workmen's Compension Fund

Related party balances

Trading transactions

Government grant

Department of Labour	595,000	481,637
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Purchases from related parties

Unemployment Insurance Fund	759	622
Workmen's Compension Fund	895	819
South African Post office Ltd	15	48
Telkom SA Ltd	6,216	6,681
Government Printing	62	8

Payable by CCMA

South African Post office Ltd	2	2
Telkom SA Ltd	4	602
Government Printing Works	-	6
Unemployment Insurance Fund	167	-
Workmen's Compension Fund	1,408	119

The above listed entities are all related parties through a common listing under the PFMA as listed public entities.

Mr. David Lakay (member of FRC)	89	97
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The Governing Body has approved the appointment of Mr. David Lakay who serves as a member on the Finance and Risk Committee (FRC) to participate and be a subject matter specialist on the Advisory Committee of the Training Layoff scheme.

Key management information

Refer to note 25 for key management and their remuneration details.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

28. Statement of comparison of budget and actual amounts

Revenue

Government grant actuals exceed budget due to Capital expenditure grant allocation released to government grant income which is not included in Operational expenditure budget of R575 million.

Income from rendering of services and other income was R6.5 million under budget mainly due to a decrease in EPP funding from University of Cape Town and year on year decrease in EPP initiatives undertaken by the CCMA for projects e.g Labour court and analysis of Dispute and Referral Trends in the Mining Sector.

Expenditure

Employee related costs overspend of R2.2 million was mainly due to leave pay provision which was not budgeted for by the organisation.

Depreciation actuals exceeded budget due to acquisition of computer equipment that was previously leased resulting in higher than anticipated depreciation.

Subsidies actuals was closely in line with budget expectation with R61k overspend due to higher than anticipated inflow of claims from bargaining councils.

Administration and Operating expenditure lines had a budget saving of R20.3 million mainly due to delays in the promulgation of Labour law amendments resulting in the postponement of planned expenditure for labour law amendments and roll out of web-enabled case management system projects to the next financial year.

Income from investments

Income from investments was R4 million under budget due to negative market conditions which impacted on investment income earnings during the year.

Surplus

Surplus is mainly due to delays in the promulgation of Labour law amendments resulting in the postponement of planned project expenditure for labour law amendments and roll out of web-enabled case management system projects. The surplus will be utilised on project expenditure in the next financial year.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

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	2014	2013
	'000	'000

29. Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	1,752	604
Add: Irregular expenditure - relating to prior year	3,695	2,456
Add: Irregular expenditure - relating to current year	30	1,752
Less: Prior year amounts condoned	(823)	(3,060)
Less: Amounts not recoverable (not condoned)	(4,624)	-
Irregular expenditure awaiting condonation	30	1,752

Analysis of awaiting condonation per age classification

Current year	30	1,752
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Details of irregular expenditure not recoverable (not condoned)

Misinterpretation of PPPF Act 2011 - Not condoned by National Treasury occurrence in 2013

Eleven contracts amounting to R8.063m	Reasons for non-compliance were	4,624
Irregular expenditure incurred	considered unsatisfactory, the advice	
2013 -R1 752 094	is to institute the necessary measures	
Irregular expenditure incurred	to prevent any recurrence of the same	
2014 -R2 871 669	transgressions.	
		4,624

30. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the reasons for any deviations are recorded and reported at the next meeting of the accounting authority and includes a note to the annual financial statements.

The CCMA has improved its internal control system by introducing a deviation register to record all the goods and services procured during the financial year under review which deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer and accounting authority who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Analysis of deviations approved and condoned during the year under review	370	5,526
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Commission for Conciliation, Mediation and Arbitration (CCMA)

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014	2013
	'000	'000

31. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2014

	Amortised cost	Total
Trade payables	10,620	10,620

2013

	Amortised cost	Total
Trade payables	12,886	12,886

32. Contingent Liability

Claims against CCMA : - R 800 000

The amount disclosed under claim against CCMA represents a contingent liability as a result of the dispute in labour court challenging unfair dismissals of two CCMA employees.

33. Comparatives

Prior year figures in Commitments Note 23 of the annual financial statements have been restated as a result of operational and capital expenditure been incomplete.

Commitments	Before	Restated
Capital expenditure	10,426	45,693
Operational expenditure	4,678	4,678
Other commitments	-	6,753
Operating leases - Buildings	260,907	260,907
Operating leases - Vehicles	2,296	2,296
Operating leases - Fixtures and equipment	9,172	9,172
	287,479	329,499

Notes

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Notes

REGIONAL OFFICES OF THE CCMA



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RP270/2014
ISBN: 978-0-621-43026-4



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA