2019/2020 ANNUAL REPORT

SENZ'UMEHLUKO - MAKING A DIFFERENCE

COMMISSION FOR CONCILIATION, MEDIATION ARBITRATION

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GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

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Commission for Conciliation, Mediation and Arbitration

Registered office address
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Postal address
Private Bag X94, Marshalltown 2107

Contact telephone numbers
011 834 7351

Email address
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Website
www.ccma.org.za

External Auditors Information
Name: Auditor-General South Africa
External Auditors Address: 300 Middel Street, Brooklyn, Pretoria, 0181

Banker's information
Name: Nedbank Ltd

Official performing the functions of Company Secretary
Name: Keitumetse Zulu
Designation: Manager - Governance and Secretariat Services

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RP395/20

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Mining- Picture by Themba Hadebe / AP Photo
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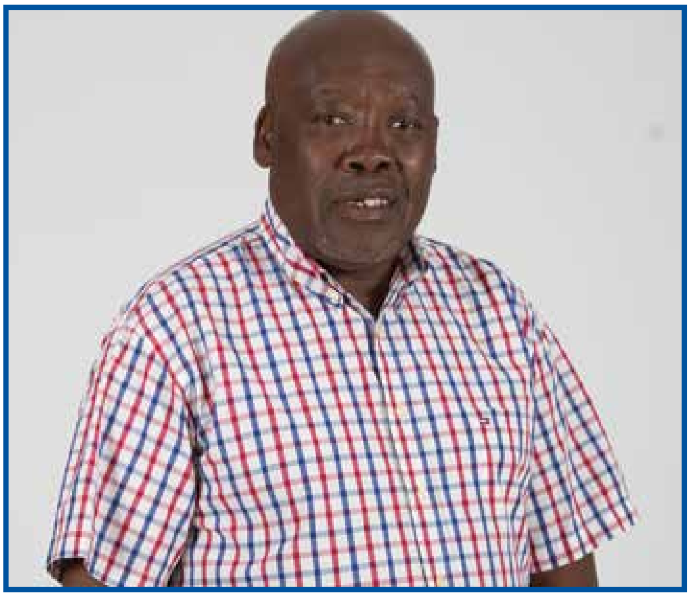
Textile- Picture by Nikkei Asia
Cleaning- Picture by Gateway/Pikitup

2. LIST OF ABBREVIATIONS/ACRONYMS

ACRONYM	DESCRIPTION
4IR	Fourth Industrial Revolution
AFS	Annual Financial Statements
AFADWU	Agricultural Food and Allied Democratic Workers Union
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASC	Accredited and Subsidy Committee
ASB	Accounting Standards Board
BC	Bargaining Council
BCEA	Basic Conditions of Employment Act
BCM	Business Continuity Management
BWR	Building Workplace Relations
CCMA	Commission for Conciliation, Mediation and Arbitration
CEE	Commission for Employment Equity
CMO	Case Management Officer
CMS	Case Management System
COGP	Code of Good Practice
CSR	Community Social Responsibility
CWU	Communication Workers Union
DEL	Department of Employment and Labour
DEPACU	Democratic Postal and Communication Union
DMP	Dispute Management and Prevention
DP&WO	Dispute Prevention and Workplace Outreach
EDD	Economic Development Department
EEA	Employment Equity Act
ENS	Effective Negotiation Skills

ERM	Enterprise-wide Risk Management
ESC	Essential Services Committee
ESU	Employment Security Unit
FAWU	Food and Allied Workers Union
GB	Governing Body
GSEC	Governance Social and Ethics Committee
GSS	Governance and Secretariat Services
HRC	Human Resource Committee
HSRC	Human Sciences Research Council
KAWU	Kungwini Amalgamated Workers Union
IDC	Industrial Development Corporation
IASB	International Accounting Standard Board
IJR	Institute for Justice and Reconciliation
ILO	International Labour Organisation
LDRP	Labour Dispute Resolution Practice
LRA	Labour Relations Act
LRC	Legal Resources Centre
MSA	Minimum Service Agreements
MSD	Minimum Service Determinations
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEECF	National Employment Equity Consultative Forum
NEHAWU	National Education, Health and Allied Workers Union
NMWA	National Minimum Wage Act
NT	National Treasury
NUFBWSAW	National Union of Food Beverages Wine Spirits and Allied Workers

NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NUPSAW	National Union of Public Service and Allied Workers
PFMA	Public Finance Management Act (Act no. 1 of 1999)
PIC	Public Investment Corporation
PC	Procurement Committee
PFMA	Public Finance Management Act
PHSSBC	Public Health and Social Development Sectoral Bargaining Council
PPPFA	Preferential Procurement Policy Framework Act
PPSA	Public Protector South Africa
RAF	Road Accident Fund
SAA	South African Airways
SABC	South African Public Broadcaster
SACCA	South African Cabin Crew Association
SAHRC	South African Human Rights Commission
SANSEA	South African National Security Employees Association
SAPWU	South African Postal Workers Union
SARS	South African Revenue Service
SASA	Security Association of South Africa
SCM	Supply Chain Management
STANDARDS OF GRAP	Standards of Generally Recognised Accounting Practice
TAS	Turn-Around Solutions
TERS	Temporary Employee/Employer Relief Scheme
TUT	Tshwane University of Technology
UIA	Unemployment Insurance Act
UICA	Unemployment Insurance Contributions Act
UIF	Unemployment Insurance Fund
W&R SETA	Wholesale and Retail Sector Education and Training Authority



3. FOREWORD BY THE CHAIRPERSON

3.1. INTRODUCTION

In terms of Section 23 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and the Labour Relations Act, 1995 (Act No.66 of 1995) states that the "advance economic development, social justice, labour peace and the democratisation of the workplace", gave birth to the primary mandate of the CCMA, namely to provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration.

The CCMA has made a meaningful contribution towards labour market stability since its inception in 1996. During the period under review, and over the past five (5) years of the outgoing five (5) year 2015/16 - 2019/20 Senz'umehluko Strategy (the Senz'umehluko Strategy), it was effectively and efficiently implemented in line with the legislated mandate of labour dispute resolution; enhanced employment security mechanisms to save jobs and alleviate business distress; put in place capacity building and other initiatives to promote orderly and peaceful collective bargaining; intensified Dispute Management and Prevention (DMP) interventions to reduce conflict in the workplace and transform workplace relations; and improved its governance processes to strive for maximum compliance to prescripts and best practice.

The Essential Services Committee (ESC), under the auspices of the CCMA, made remarkable progress in designating essential and maintenance services, and monitoring the implementation and observance of essential and maintenance services designations, Minimum Service Agreements and Minimum Service Determinations (MSD) in an endeavour to protect those segments of the economy which impact on life, personal safety and the health of society.

3.2. OVERVIEW OF THE STRATEGY AND THE PERFORMANCE

In the implementation of the 2019/20 Annual Performance Plan (APP), the CCMA continued to implement its statutory and discretionary functions, with focus on the five (5) strategic priorities. The 2019/20 financial year saw the CCMA in its second year of implementing the National Minimum Wage Act (Act No.9 of 2018) (NMWA) and amended Employment Labour statutes. The expanded jurisdiction brought about by the NMWA and the amendments to the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) (the BCEA) brought about an additional 35 767 cases referred to the CCMA in 2019/20. While this number of referrals was more than what was projected for, the CCMA managed to process these referrals and ensure that the parties enjoyed proper access to dispute resolution services.

In preparation for the end of the Senz'umehluko Strategy, the exciting process of the development of the new five (5) year strategy provided the CCMA with the opportunity to reflect and engage with stakeholders and Users in a bid to reposition itself to better deliver on its social justice mandate.

The 2020/21 - 2024/25 Imvuselelo "The Revival" Strategy (the Imvuselelo Strategy) was developed after a review and consideration of the CCMA's legislated mandate: the current and projected global, regional and national factors facing the labour market, the National Development Plan (NDP) 2030, socio-economic issues, changes in the legislative and policy frameworks, Government priorities as outlined in the Medium Term Strategic Framework (MTSF). A review of the performance of the organisation over the period of the Senz'umehluko Strategy was also taken into account. The Imvuselelo Strategy also considers the new opportunities presented by technological advancement that will enable the organisation to manage its operations in a more efficient and effective manner.

The implementation of the Imvuselelo Strategy comes at a time of continued budget cuts across the public sector due to the shrinking economy. It is worth mentioning that the budget allocation of the CCMA no longer matches the CCMA's increased caseload. The CCMA is therefore faced with a challenge of finding ways to do more with less. I am confident that the executive management will find creative ways in which to do so.

3.3. STRATEGIC RELATIONSHIPS

The CCMA forged strategic partnerships with various institutions that share similar mandates and aligned service delivery objectives and values. The purpose of these strategic partnerships was to identify emerging trends in the labour market, develop solutions to existing and future labour market challenges in a collaborative manner. These strategic partnerships created value for the labour market through leveraged combined efforts and minimized duplication of efforts. For the year under review, the CCMA established and/or maintained strategic partnerships with the following institutions: AgriSA, Productivity SA, the International Labour Organisation (ILO), the Public Protector SA (PPSA), the Institute for Justice and Reconciliation (IJR), the Human Sciences Research Council (HSRC), the Commission for Employment Equity (CEE), the South African Human Rights Commission (SAHRC), and the Legal Resources Centre (LRC), amongst others.

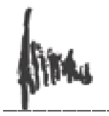
3.4. GOVERNANCE AND OVERSIGHT RESPONSIBILITY

The Governing Body and its Committees continued to provide effective oversight over the affairs of the CCMA, with regular meetings convened over the financial year. The Governing Body, as a custodian of corporate governance, has set the ethical tone and emphasised the need to embed a culture of good governance to avert possible governance failures by the organisation. An ethical and clean administration, and a culture of compliance, remained a priority for the Governing Body during the period under review. The Governing Body ensured that all identified strategic, operational, and emerging risks are mitigated, maintaining the 5.00 risk maturity level awarded by the National Treasury during the 2019/20 financial year.

3.5. ACKNOWLEDGEMENTS

My sincere gratitude to the Portfolio Committee on Employment and Labour, the Minister of Employment and Labour, the Department of Employment and Labour (DEL) and sister entities for their continued support of the CCMA in fulfilling its mandate.

To the Governing Body and Committees, thank you for providing leadership to the CCMA at all times. My heartfelt thanks to the Director and Management of the CCMA for the sacrifices and relentless effort of ensuring that the CCMA remains a high performance organisation. Finally, to the staff and Commissioners of the CCMA, you indeed continue to make a difference to the lives of the people of South Africa.



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MAKHULU LEDWABA

CCMA GOVERNING BODY CHAIRPERSON

THE CCMA's GOVERNING BODY

MAKHULU LEDWABA
CHAIRPERSON

CAMERON SELLO MORAJANE
DIRECTOR

ORGANISED BUSINESS REPRESENTATIVES

KAIZER MOYANE

SIFISO LUKHELE

LUCIO TRENTINI

ORGANISED LABOUR REPRESENTATIVES

BHEKI NTSHALINTSHALI

NARIUS MOLOTO

GEOFFREY ESITANG

GOVERNMENT REPRESENTATIVES

NTSOAKI MAMASHELA

VIRGIL SEAFIELD

AGGY MOILOA

FIGURE 1: THE CCMA'S GOVERNING BODY


CL 45442

4. THE CCMA DIRECTOR'S OVERVIEW

4.1 FINANCIAL REVIEW OF THE PUBLIC ENTITY

The CCMA receives funding from the fiscus through grant transfers from the DEL. An increase of one point three three percent (1.33%) on the government grant over the previous year brought the total to R978 million. Over the Medium Term Expenditure Framework (MTEF) period, R107 million was allocated towards the case disbursement, training material development and training of Commissioners and Assessors who presided over advisory arbitration processes and conducting ballot and certification processes. The interest received from investment income amounted to R13.4 million. An income of R7.5 million was earned from services rendered. During the mid-term budget cycle, an upward adjustment of approximately five point eight percent (5.8%) was made to the budget.

The CCMA maintained its going concern status through sound financial management, accounting systems and practices over the last fiscal year. The organisation continues to be in a financially healthy position with cash and cash equivalents being R96.6 million, which is equivalent to a 1:1 cash turnover ratio and a liquidity ratio of 1.03:1 as at 31 March 2020.

The net asset value is reported as R32 million, as at 31 March 2020. The previous financial year's accumulated surplus of R 57.9 million was approved for rollover by the National Treasury. During the mid-term budget cycle, the budget was adjusted by approximately six percent (6%), due to the funds rollover. This adjustment catered for projected and actual expenditure related to the caseload.

4.2. SPENDING TRENDS OF THE PUBLIC ENTITY

The total expenditure of the CCMA increased by seven percent (7%) compared to the previous financial year. A number of factors have contributed to the increased expenditure. The implementation of the NMWA and the expanded jurisdiction arising from the amendments to the BCEA has resulted in an increase in referrals to the CCMA. The increase in case referrals resulted in an increase of nine percent (9%) in expenditure (from R414 million to R454 million) being appropriated during the reporting period, for the appointment of additional Commissioners and Interpreters, as well as the annual cost of living increases in Commissioner fees. Another contributing factor to the increased expenditure is the increase in the variable costs associated with the conducting of cases. Goods and services spending increased by nine percent (9%), whilst total staff costs increased by five percent (5%), due to the cost of living adjustments implemented and performance incentives dispensed.

4.3. REQUESTS FOR ROLLOVER OF FUNDS

Subject to permission granted by the National Treasury, an amount of R39 thousand of the R96.6 million cash and cash equivalent balance will be rolled over and utilised in the 2020/21 financial year to fund the reported short-term liabilities and commitments as recorded at 31 March 2020.

4.4. SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) of the CCMA is centralised at the National Office, and provides strategic support to the organisation in the acquisition of goods, works and services. The SCM has developed systems and procedures to ensure that the procurement process is aligned with the requirements of Section 217 of the Constitution. Furthermore, the SCM function is governed by the provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (the PFMA), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (the PPPFA) and Treasury Regulations. The system and procedures focus on managing the inter-dependent activities of demand, acquisition, inventory and contract administration.

The approved 2019/20 Procurement Plan was partially executed. Projects that could not be fully executed were rolled over to the 2020/21 financial year. Some were cancelled due to non-responsive bids. Quarterly procurement progress reports were submitted to the National Treasury for the tender e-portal update as required by legislation.

4.5. CONCLUDED UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW

The CCMA's SCM Policy discourages consideration of unsolicited bids and none were received and considered during the year.

4.6. OUTLOOK/ PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

During the year under review, the insufficient allocated grant income, resulted in the CCMA exploring on other avenues to reduce the costs through stringent cost containment measures.

The CCMA also recovers costs on discretionary services rendered in line with the LRA. As at the end of the 2019/20 financial year, the CCMA had recovered R6.5 million from services rendered. It is expected that this recovery will continue as more and more Users become aware of the additional services offered by the CCMA.

During the 2019/20 financial year, the CCMA received approval for an additional funding allocation of R107 million over the three (3) year MTEF period of 2019/20 to 2021/22. This allocation represents part funding towards the expenditure related to the increase in caseload, as well as training and training materials development arising from amendments to the LRA.

4.7. ECONOMIC VIABILITY

The CCMA is financially stable with cost containment measures being implemented. As already discussed, the CCMA is also concentrating its efforts to improve its cost recovery efforts aimed at maintaining the CCMA's status as a going concern.

4.8. KEY SERVICE DELIVERY ACHIEVEMENTS OF THE 2019/20 FINANCIAL YEAR

The NMWA came into effect on 1 January 2019. The BCEA was amended to confer new enforcement jurisdiction on the CCMA related to non-compliance with payment of the national minimum wage (NMW), failure by an employer to pay money owing in terms of the BCEA, a collective agreement, contract of employment or a sectoral determination (this only applies to employees and workers earning below the BCEA threshold of R205 433.33 per annum). The amendments to the BCEA also provided for the CCMA to make compliance orders and written undertakings issued by the DEL for non-compliance by an employer in terms of the NMW, BCEA, the Unemployment Insurance Act, 2001 (Act No. 63 of 2001) (the UIA) and the Unemployment Insurance Contributions Act, 2002 (Act No. 2 of 2002) (the UICA). The CCMA received 35 767 referrals relating to the implementation of the NMWA and the amendments to the BCEA during the 2019/20 financial year. This constitutes 16.1% of the total referrals received. The vast majority of these referrals (28 514 or 80%) relates to claims for alleged outstanding payments.

Strategic and operational response strategies were developed and additional funding was allocated by the National Treasury for this purpose. This in turn required additional training and capacitation of staff and Commissioners to ensure efficient and effective delivery of this expanded mandate. Going forward, the CCMA will continue to leverage technology in line with the Fourth Industrial Revolution (4IR) to enhance its delivery of dispute resolution in the digitised era.

The CCMA prides itself in being regarded as a highly efficient institution, despite it being the largest labour dispute resolution agency in the world by volume of referrals, with 221 547 referrals received during the 2019/20 financial year. This constitutes a 14% increase in case referrals to the CCMA compared to the previous financial year. Notwithstanding this, the CCMA continued to strive to deliver its legislated mandate in compliance with the stringent legislated and set turnaround times.

It is noted however, that the year-on-year rise in case referrals to the CCMA suggests an unsettled and conflictual labour market as a result of the socio-economic challenges of the country. Internal renewal of the organisation includes offering better and more proactive support to the labour market through targeted DMP interventions.

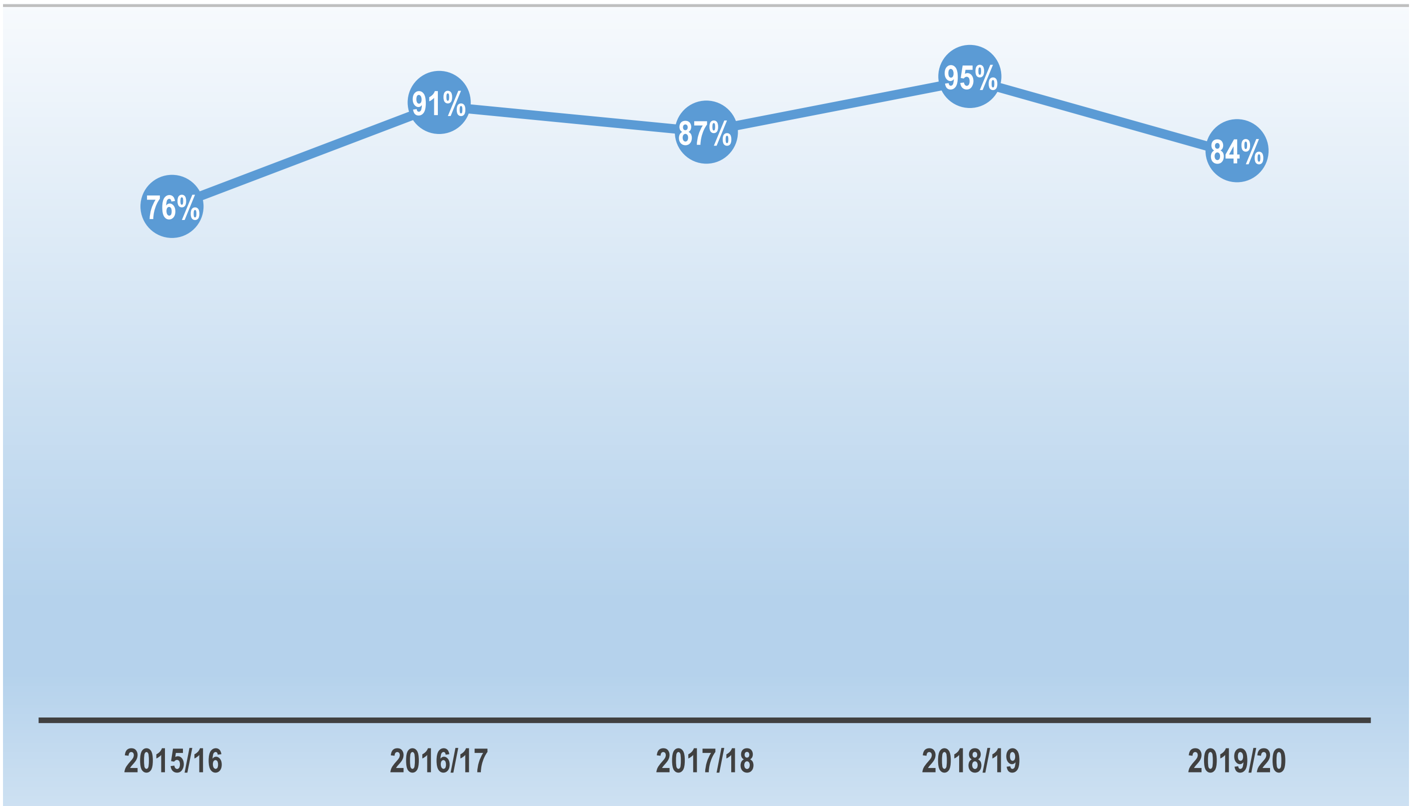


FIGURE 2: THE ANNUAL PERFORMANCE FOR THE 2015/16, 2016/17, 2017/18, 2018/19 AND 2019/20 FINANCIAL YEARS

A total of 19 performance indicators were set for 2019/20, of which 16 were achieved, translating into an 84% performance rate, as depicted by Figure 2.

The CCMA remained committed to contributing towards the alleviation of the triple crisis of poverty, inequality and unemployment. For instance, through the CCMA's job savings efforts, the CCMA saved 42% of the jobs in large-scale retrenchment referrals to the CCMA, as per the cases referred to the CCMA. The Temporary Employee/Employer Relief Scheme (TERS) that was reconstituted in October 2018 was fully operational as envisaged in the Presidential Job Summit Framework Agreement. The CCMA remained the entry point for screening and receiving the applications to participate in the scheme. The CCMA also oversaw the convening of the Single Adjudication Committee that involved the CCMA, the Economic Development Department (EDD), Productivity SA and the Unemployment Insurance Fund (UIF). The CCMA undertook this task within accelerated timeframes with the vast majority of applications considered and processed within a period of 16 and 21 days.

The Single Adjudication Committee considered 71 applications, 44 applications were recommended to participate in the scheme, 20 were not recommended, and seven (7) were still in process pending compliance confirmation for the UIF as at the end of the 2019/20 financial year. The number of applications have increased since the reconstitution of TERS, with the majority of applications being workplace based as parties seek to explore this option rather than initiating retrenchment processes. This provides for the opportunity for businesses to work on turnaround strategies and, at the same time, retaining their workers in employment. Owing to the increased uptake and interest, the total number of employees due to benefit from the scheme is recorded at 5 287 at a total cost of R196 970 559.28 to the fund. The unwavering commitment and tremendous efforts of CCMA facilitators and stakeholders to explore meaningful alternatives in order to avoid job losses has contributed to reducing the number of job losses of employees facing retrenchment. The CCMA's holistic approach to the work in this area will continue to require multi-stakeholder commitment that will cut across various ministries and all social partners. The strategic partnership between the CCMA and Productivity SA has resulted in applicants for TERS receiving business turn-around support through the Turn-Around Solutions (TAS) programme to ensure viability and sustainability.

Dedicated efforts by CCMA mediators and its proactive approach to monitoring collective bargaining trends and developments has ensured a commendable success rate in contributing to labour market stability. The CCMA remained committed to working with all stakeholders who are willing to create an environment that encourages foreign investment that, in the long term, could sustain and lead to more job creating opportunities. The ongoing support to Bargaining Councils ensured some measure of stability in the broader labour market.

The CCMA continued to contribute towards building knowledge and skills in the labour market with special focus in 2019/20 on specialist areas of the Employment Law, including training related to the NMWA, amendments to the BCEA and LRA. In total, the CCMA has delivered 1 707 activities/interventions wherein approximately 55 750 people were capacitated to better understand the law and their employment rights.

The CCMA provided various platforms for engagement with its stakeholders and Users. This included five (5) engagements held with strategic labour market stakeholders to provide thought leadership and facilitate social dialogue on identified strategic labour market issues, including the Annual Labour Law Conference, the Shop Stewards and Union Officials' Conference and the CCMA Indaba (for internal stakeholders) and two (2) Youth in Labour Think Tanks.

In the last year of the Senz'umehluko Strategy, the CCMA Youth in Labour Think Tank was conceptualised, in line with the Government's Youth Developmental Policy which is informed by the NDP 2030. This platform provides youth in the labour market (researchers/scholars/professionals/academics), with a platform to share experiences and challenges. The CCMA Youth in Labour Think Tank forms part of the broader Community Social Responsibility (CSR) initiatives of the organisation, which will be continued in the 2020/21 financial year.

The CCMA placed a great emphasis on its governance environment during this period, which is maturing quite progressively, with the Enterprise-Wide Risk Management being awarded a Level five (5) by the National Treasury. The CCMA now has a fully established Compliance Management Function which ensured that the CCMA complies with all relevant policies, legislation and best practice. Great emphasis is also placed on ethics management, with a hybrid of anti-fraud and corruption activities being implemented to ensure that the CCMA runs a clean administration.

The CCMA also successfully launched CCMAConnect, the official CCMA mobile application which enables Users to track their cases and to complain about or, compliment the organisation. This is in line with the 4IR. Many 4IR aligned plans are planned for the 2020/21 financial year, all geared towards making the organisation more efficient and effective.

It has indeed been a demanding five (5) years. The organisation views the Senz'umehluko Strategy to be a success, notwithstanding the challenges that were encountered, such as budgetary constraints, expanded jurisdiction and increasing case load.

The new five (5) year strategy is titled the Imvuselelo - The Revival Strategy. Imvuselelo is a Nguni word used both in isiZulu and in IsiXhosa, which translates into "renewal" or "revival". The strategic intent of the Imvuselo – The Revival, the 2020/21 – 2024/25 Strategy, is focused on the internal revival of the organisation, transforming it into a modern, optimised institution - a strategic imperative towards realising a high-performance organisation. This includes organisational reconfiguration to respond to the changing needs of the labour market and to enable the CCMA to improve its services. The CCMA will need to equip itself, via infrastructure and human resources, with the requisite skill-set to meet the requirements of the changing nature of work whilst remaining relevant and accessible to vulnerable groups. The renewal of the organisation itself will enable the CCMA to deliver a world-class service to its Users in the labour market and beyond.

4.9. ACKNOWLEDGEMENTS AND APPRECIATION

All the achievements of the CCMA are attributable to the dedication, long hours and selfless service of the Executive Management, Management, staff and Commissioners. My deepest appreciation goes to the CCMA family for their contribution to the organisation's success story of enhancing social justice through expeditious labour dispute resolution and DMP services. Words of thanks are also extended to the Portfolio Committee on Employment and Labour, the Ministry of Employment and Labour, officials at the DEL, the CCMA Governing Body and Committees for their visionary guidance and steadfast support. Gratitude is also extended to the CCMA's strategic partners and sister public entities in the labour fraternity for the opportunity to join forces in order to improve service delivery. A special word of appreciation is dedicated to the Users of the CCMA and the labour market at large for their continued belief in the CCMA to deliver on its mandate.

The CCMA will continue to make the difference in the lives of those it serves in 2020/21 and beyond.

CAMERON SELLO MORAJANE
DIRECTOR

THE CCMA EXECUTIVE MANAGEMENT COMMITTEE

CAMERON SELLO MORAJANE
DIRECTOR

HAROUN DOCRAT
– NATIONAL SENIOR COMMISSIONER: COLLECTIVE BARGAINING

MARIUS KOTZE
- NATIONAL SENIOR COMMISSIONER: DISPUTE RESOLUTION

KEDIBONE MASHAAKGOMO
– CHIEF FINANCIAL OFFICER

NKOSIKHONA NKOSI
– CHIEF INFORMATION OFFICER

MTHEMBENI NCANANA
– EXECUTIVE: CORPORATE SERVICES

ANNAH MOKGADINYANE
– EXECUTIVE: GOVERNANCE AND STRATEGY

ZANELE HLOPHE
– CHIEF AUDIT EXECUTIVE

FIGURE 3: CCMA'S EXECUTIVE MANAGEMENT COMMITTEE

CCMA's REGIONAL ORGANISATIONAL STRUCTURE

XOLANI NDUNA
– CSC MPUMALANGA

SHAWN CHRISTIANSEN
- CSC
JOHANNESBURG

ELIAS HLONGWANE
- CSC
NORTH WEST

CARLTON JOHNSON
- CSC
WESTERN CAPE

BONGUMUSA KHUMALO
- CSC
KWAZULU-NATAL

LUCKY MOLOI
– CSC FREE STATE

MORWA-MAPALE SETLAGO
- CSC TSHWANE

MANDY COETZEE
ACTING CSC: PORT ELIZABETH

MPUMELELO NCONCO
- ACTING CSC:
EKURHULENI

KAGISO NTHITE
- ACTING SC
EAST LONDON

CHRISTOPHER MELLO
- ACTING CSC: LIMPOPO

TSIETSI CHAKANE
- ACTING SC:
NORTHERN CAPE

FIGURE 4: CCMA's REGIONAL ORGANISATIONAL STRUCTURE

5. STATEMENT OF RESPONSIBILITY

The CCMA Governing Body is responsible for the preparation of the Annual Financial Statements (AFS) and is accountable for the integrity of the CCMA AFS and the objectivity of other information presented in the CCMA's 2019/20 Annual Report. Furthermore, according to prescripts governing Schedule 3A public entities, the Accounting Authority is responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of performance information and human resource information. In compliance this system existed and was implemented during the 2019/20 financial year.

The Accounting Authority and Officer of the CCMA, to the best of their knowledge and belief, confirm that the CCMA's 2019/20 Annual Report has been prepared in accordance with the guidelines on developing Annual Reports, issued by the National Treasury. It is also confirmed that the reported performance information fairly reflects the actual achievements of the CCMA against the planned targets as per the 2019/20 APP. The reported performance information has also been approved by the Governing Body of the CCMA.

The AFS have been prepared in accordance with the standards applicable to the public entity. All information and amounts disclosed in the CCMA's 2019/20 Annual Report are consistent with that audited by the office of the Auditor-General of South Africa (AGSA). The AGSA has duly expressed an opinion as reflected in the AGSA report presented in this Annual Report.

In our opinion and to the best of our knowledge, the Annual Report is complete, accurate, free from any omissions, and fairly reflects the operations, the performance information, the human resources information and the financial affairs of the CCMA for the financial year ended 31 March 2020.

Signature:

MAKHULU LEDWABA
CHAIRPERSON OF THE GOVERNING BODY

Signature:

CAMERON SELLO MORAJANE
DIRECTOR

6. STRATEGIC OVERVIEW

6.1. VISION

To be recognised and valued by everyone for changing working life by promoting social justice and transforming workplace relations.

6.2. MISSION

To give effect to everyone's Constitutional right to fair labour practice.

6.3. VALUES

The core values and operating principle of the CCMA are as follows:

TABLE 1: VALUES OF THE CCMA

VALUES	OPERATING PRINCIPLE
Respect	**We value those whom we serve, those whom who we work with and our organisation.** We value difference in people and ideas, treating everyone with fairness and dignity
Excellence	**We continuously do our best in delivering on our mandate and in service to our people.** In committing to excellence we continuously strive to deliver quality work and always seek to improve our process and service to everyone
Accountability	**We hold ourselves responsible for our actions and the outcomes of our work.** In being accountable we are committed to each other and all we do and take responsibility for our actions and performance
Diversity	**By embracing diversity and inclusivity, we learn from each other daily, while sharing and celebrating who we are and what we do.** We embrace inclusivity and celebrate the difference of our people
Integrity	**We do the right thing, even when no–one is looking.** We are honest and ethical in everything we do
Transparency	**We work in a manner that is open, fair and transparent.** Guided by our statutory obligations and commitment, we are open in our dealing with everyone we serve

7. LEGISLATIVE AND OTHER MANDATES

The CCMA is a national public entity in terms of Schedule 3A to the PFMA. The CCMA's Constitutional mandate is drawn directly from Section 23 of the Constitution of the Republic of South Africa that deals with the right to fair labour practices.

The CCMA's statutory functions are set out in Section 115 of the LRA and are divided into those that are mandatory and those that are discretionary. The CCMA's mandatory statutory functions are set out in section 115(1) of the LRA and include the following:

- Conciliate disputes referred to it in terms of labour statutes;
- Arbitrate certain categories of disputes that remain unresolved after conciliation;
- Facilitate consultations regarding large-scale dismissals due to operational requirements;
- Conduct inquiries by Arbitrators;
- Establish picketing rules;
- Determine disputes about demarcation between sectors and areas;
- Facilitate the establishment of workplace forums and statutory councils;
- Compile and publish information and statistics about its activities;
- Review any rules made in terms of section 115 of the LRA;
- Consider applications for accreditation and subsidy by Bargaining Councils and private agencies; and
- Administer the Essential Services Committee (ESC).

The CCMA's discretionary functions are set out in section 115(2), (2A) and (3) of the LRA and serve to enhance delivery of the CCMA mandate which include, but are not limited to, the following:

- Supervise ballots for unions and employer organisations;
- Provide training on any aspect of employment law;
- Advise a party to a dispute about the procedures to follow;
- Offer to resolve a dispute that has not been referred to the CCMA;
- Make rules on practice and procedure; and
- Publish guidelines on any aspect of the LRA.

The CCMA additionally derives its mandate from specific provisions of the Employment Equity Act [as amended] (EEA). Chapter 2 prohibits unfair discrimination and, in particular, Section 10, subsections (5) and (6) (a) and (b) of the EEA identifies the functions that the CCMA is required to perform as follows:

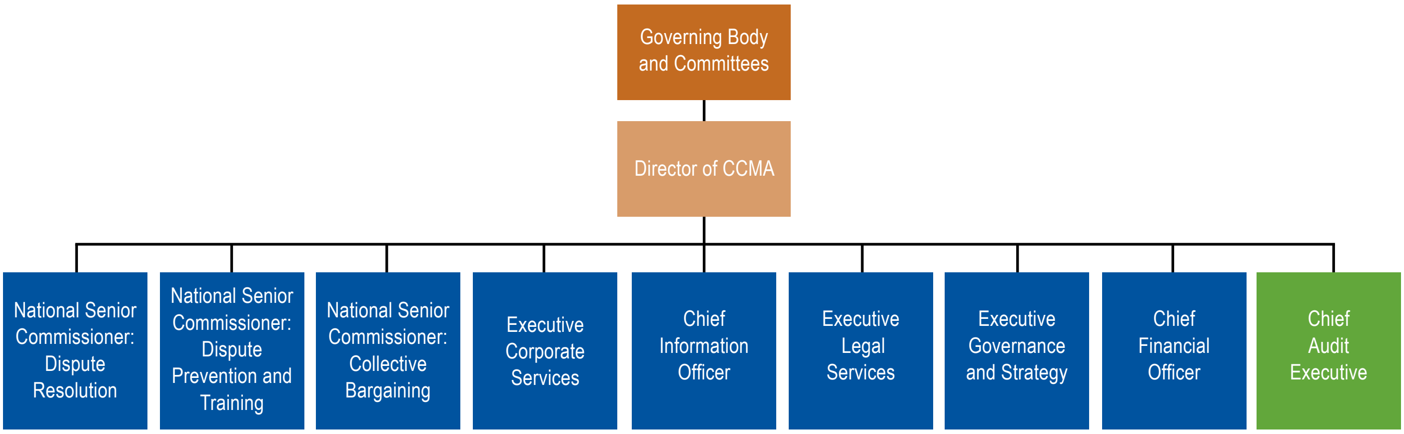
- Conciliate any dispute referred to it in terms of this Act and
- Arbitrate disputes that remain unresolved after conciliation according to the stipulations of this Act.

The CCMA derives its jurisdiction from various sections of the BCEA. In addition, the CCMA has jurisdiction to determine certain disputes arising from the Skills Development Act 97 of 1998.

8. ORGANISATIONAL STRUCTURE

The CCMA is a national public entity in terms of Schedule 3A to the PFMA. The CCMA's Constitutional mandate is drawn directly

FIGURE 5: CCMA ORGANISATIONAL STRUCTURE



The CCMA has Regional offices in all Provinces and report to the NSC: Dispute Resolution

PART B
PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1. SERVICE DELIVERY ENVIRONMENT

1.1.1. STRATEGIC PRIORITY ONE: EFFECTIVELY AND EFFICIENTLY IMPLEMENT THE LEGISLATED MANDATE OF THE CCMA

This strategic priority relates to the effective and efficient delivery of the legislative mandate of the CCMA. Given the volatile state of the South African economy and the subsequent bearing on the labour market the first strategic priority remains germane. This is supported by the vast increase in the number of referrals compared with the previous financial year, with a total of 221 547 matters referred in 2019/20 compared to the 193 732 referred in the 2018/19 financial year. This represents a 14% year-on-year increase amounting to 27 815 more cases referred and an average of 879 new referrals every working day. The five (5) year case referral comparison is reflected in Figure 3. The Johannesburg Region received a total of 32 214 referrals, followed by the Western Cape Region with 26 482, and the Tshwane Region with 22 609.

The National Office registered the highest increase in referrals of 57%, followed by the Vryburg Office in the North West Region, with 47%, and the Newcastle Office in the KwaZulu-Natal Region with 34%. The Emalahleni Office in the Mpumalanga Region showed a decline in referrals by six percent (6%), followed by the Vaal Office in the Johannesburg Region with one percent (1%).

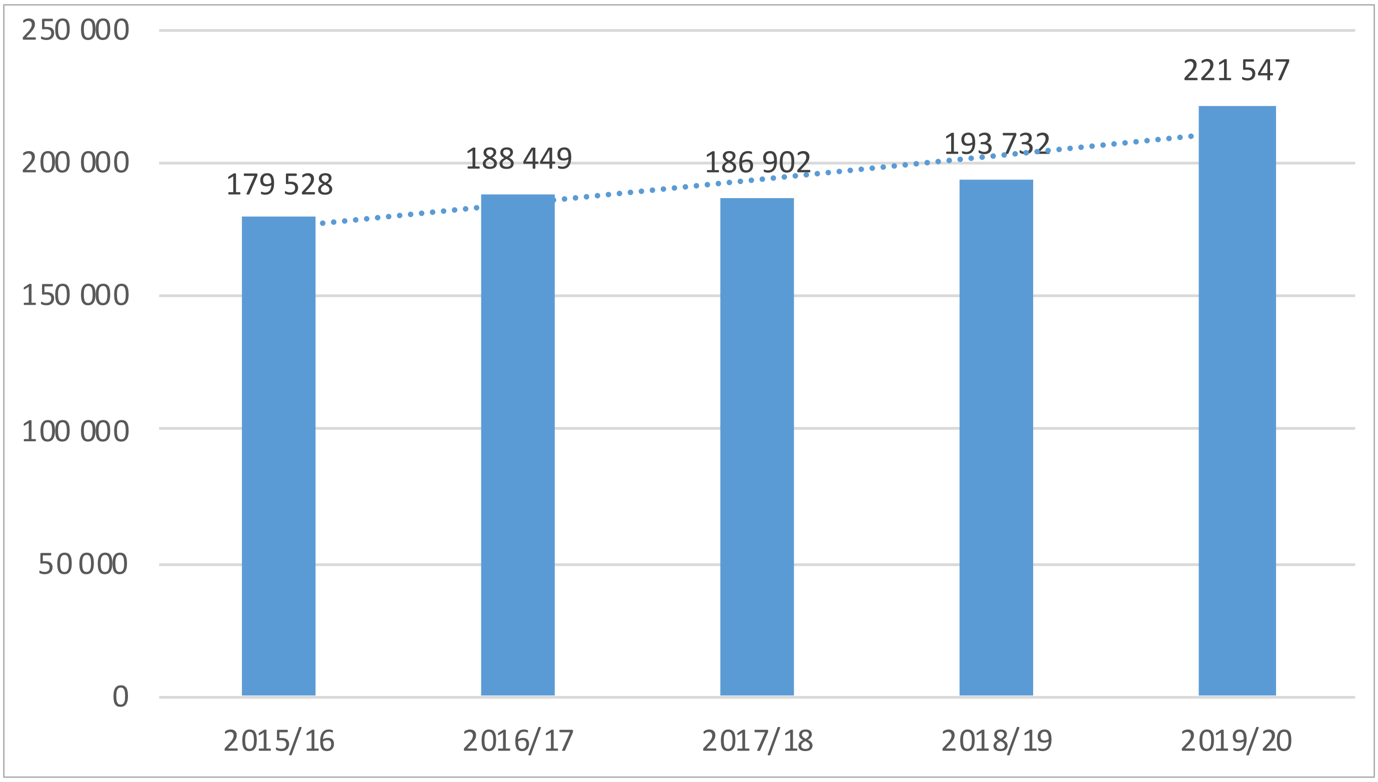


FIGURE 6: FIVE YEAR CASE REFERRAL COMPARISON

Almost 59% of all referrals in 2019/20 related to alleged unfair dismissal compared to 71% in the 2018/2019 financial year. Nine percent (9%) related to unfair labour practice. As Figure 6 shows, the breakdown of referrals per sector reveals that the Business Professional Services sector remained the highest referring sector at 29% of the total referrals, an increase of two percent (2%) compared to the 2018/2019 financial year. The Safety and Private Security sector showed an increase of two percent (2%), totalling 14% of all referrals, whilst the Domestic sector presented a decline of one percent (1%), from seven percent (7%) in the previous financial year. Referrals received from the Retail, Building and Construction, Agriculture/Farming, Food/Beverage and Mining Sectors remained unchanged when compared to the 2018/2019 financial year.

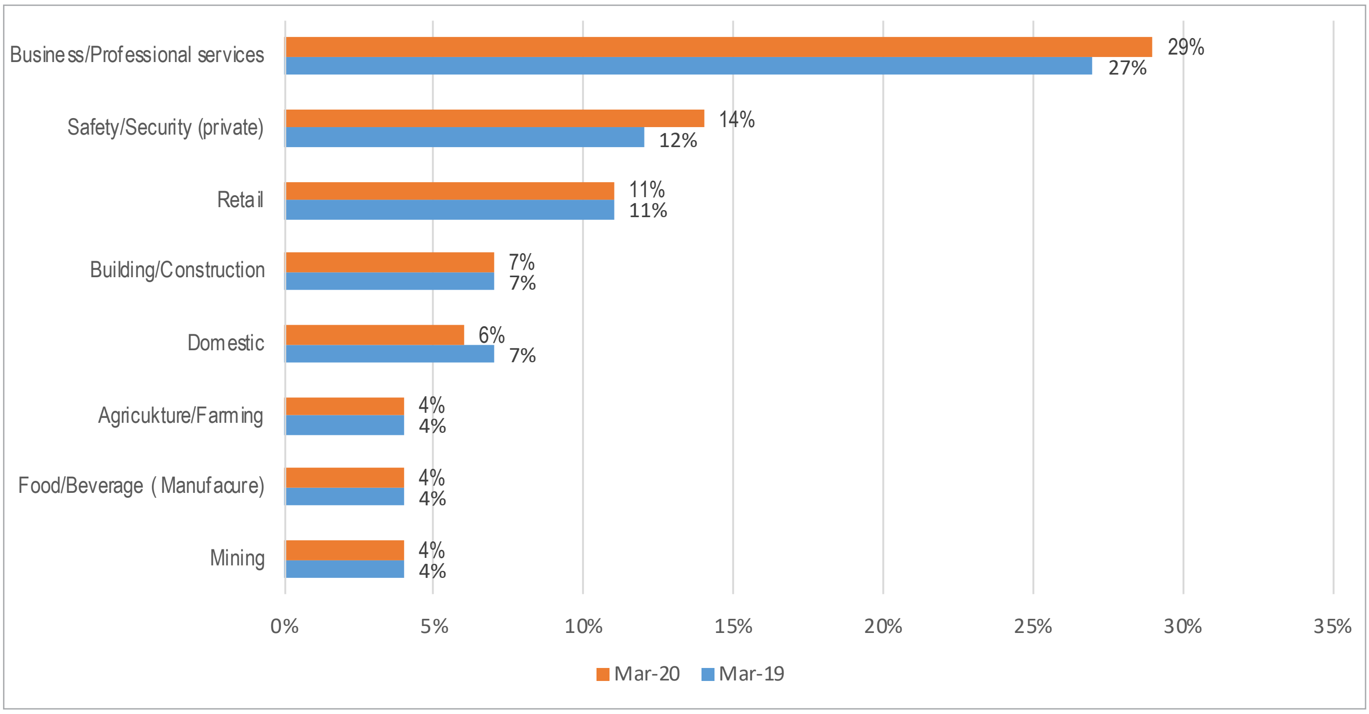


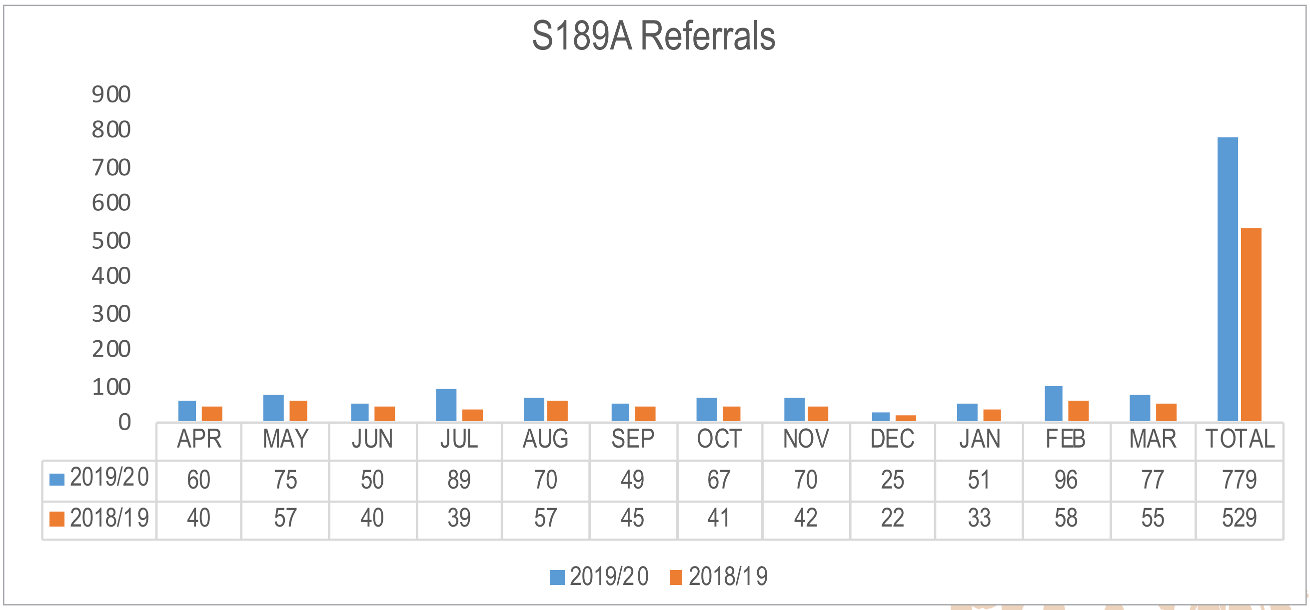
FIGURE 7: TWO YEAR COMPARISON REFERRALS PER SECTOR

As at 31 March 2020, the CCMA had received 35 767 referrals relating to the BCEA and the NMWA. This constitutes 16.1% of the total referrals received. The majority of these referrals, a total of 28 514 referrals, were for claims for alleged outstanding monetary payments.

The CCMA continued to strive to meet its legislative mandate during the year under review, notwithstanding the soaring increase in referrals and fiscal constraints. Available resources and capacity have been optimally applied in order to ensure that the organisational effectiveness and efficiencies have been met. The CCMA will continue to make use of technological advancements to deliver dispute resolution in the digitised era. The Regional reconfiguration process was completed during the 2019/20 financial year for full roll out in the 2020/21 financial year.

1.1.2.STRATEGIC PRIORITY TWO: ENHANCE AND EXPAND THE EMPLOYMENT SECURITY MECHANISMS TO SAVE JOBS AND ALLEVIATE BUSINESS DISTRESS

In the 2019/20 financial year, the CCMA experienced a substantial increase in large-scale retrenchment (S189A) referrals, when compared to the previous financial year, wherein 779 referrals were received, compared to the 529 of the 2018/19 financial year, as depicted by Figure 5. This represented an increase of 47% in large-scale retrenchment referrals. This is indicative of the challenging economic environment.



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2019/20	60	75	50	89	70	49	67	70	25	51	96	77	779
2018/19	40	57	40	39	57	45	41	42	22	33	58	55	529

FIGURE 8: SECTION 189A (LARGE-SCALE) REFERRALS FOR THE 2019/20 FINANCIAL YEAR

The dedicated focus to job saving by CCMA facilitators and stakeholders in large-scale retrenchment processes has once again contributed to the achievement of the CCMA's job saving target for the period under review, despite the global and local economic challenges. Of the 51 995 employees likely to be retrenched, 21 846 employees were not retrenched (as per the matters referred to the CCMA). Despite an increase in the number of large-scale retrenchment processes referred to the CCMA, the CCMA not only over – achieved on this target, but performance in this regard has improved when compared to the previous financial year. These figures translate into 42% of jobs of employees likely facing retrenchments were saved against a target of 35%. Table 2 outlines the job saving statistics for the 2019/20 financial year:

TABLE 2: NATIONAL JOB SAVING FOR THE 2019/20 FINANCIAL YEAR

	YTD	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
EE Likely to be retrenched	51995	3826	2882	4153	877	5772	3777	4246	3539	2146	1716	5581	12480
Job saved	21846	1200	1568	2598	507	1570	2073	1361	2137	601	589	1997	5645
%	**42%**	**31%**	**40%**	**63%**	**58%**	**27%**	**55%**	**32%**	**60%**	**28%**	**34%**	**36%**	**45%**

The total number of retrenchments recorded through facilitated processes were 28 354.

Jobs saved per sector is shown in Table 3:

TABLE 3: JOBS SAVED BY SECTOR

JOBS SAVED BY SECTOR							
Sector	**Employees likely to be Retrenched**	**Forced Retrenchment**	**Voluntary Retrenchment**	**Total Retrenchments**	**Other**	**Jobs Saved (#)**	**Jobs Saved (%)**
Advertising	19	0	9	9	0	10	53%
Agriculture/Farming	3141	2794	7	2801	1	339	11%
Banking/Finance	524	179	75	254	20	250	48%
Building/Construction	4392	1851	512	2363	76	1953	44%
Business/Professional services	755	438	84	522	26	207	27%
Chemical	470	263	55	318	13	139	30%
Civil Engineering	102	7	33	40	9	53	52%
Clothing/Textile (manufacture)	1031	376	125	501	5	525	51%
Communications	204	25	27	52	5	147	72%
Contract Cleaning	567	63	0	63	0	504	89%
Distribution/ Warehousing	215	131	0	131	3	81	38%
Education	765	6	46	52	3	710	93%
Electrical	201	110	75	185	4	12	6%
Energy	152	110	8	118	3	31	20%
Entertainment/Leisure	818	386	80	466	0	352	43%
Fishing	79	44	0	44	0	35	44%
Food/Beverage (manufacture & processing)	3479	947	1166	2113	168	1198	34%

JOBS SAVED BY SECTOR							
Sector	**Employees likely to be Retrenched**	**Forced Retrenchment**	**Voluntary Retrenchment**	**Total Retrenchments**	**Other**	**Jobs Saved (#)**	**Jobs Saved (%)**
Health	656	214	180	394	1	261	40%
Hotel	150	52	18	70	1	79	53%
Information and communications technology	1031	150	825	975	0	56	5%
Leather	412	10	36	46	6	360	87%
Manufacturing	2932	909	642	1551	68	1313	45%
Marketing & Public Relations	35	0	30	30	0	5	14%
Media	52	0	18	18	4	30	58%
Metal	5451	2387	1567	3954	102	1395	26%
Mining	13574	3014	2616	5630	1022	6922	51%
Motor	371	34	139	173	14	184	50%
Motor (manufacture)	1065	843	39	882	0	183	17%
Municipality	248	0	0	0	0	248	100%
Paper/Printing/ Packaging	672	255	183	438	8	226	34%
Parastatals	286	0	153	153	32	101	35%
Political Party	55	6	39	45	5	5	9%
Public Health & Social Development	45	45	0	45	0	0	0%
Religious/ Community Service	228	88	14	102	9	117	51%
Research	283	28	55	83	19	181	64%
Retail	1778	606	514	1120	115	543	31%
Retirement Village	31	0	2	2	0	29	94%
Road Freight	117	25	11	36	1	80	68%
Rubber/Tyre (manufacture)	1111	0	102	102	0	1009	91%
Safety/Security (private)	145	11	125	136	9	0	0%
Telecommunications	205	19	100	119	29	57	28%
Tool Manufacture	25	14	11	25	0	0	0%
Transport (Private)	3807	1898	138	2036	10	1761	46%
Waste Recycling	53	3	10	13	0	40	75%
Wholesale	33	33	0	33	0	0	0%
TOTAL	**51995**	**18409**	**9945**	**28354**	**1795**	**21846**	**42%**

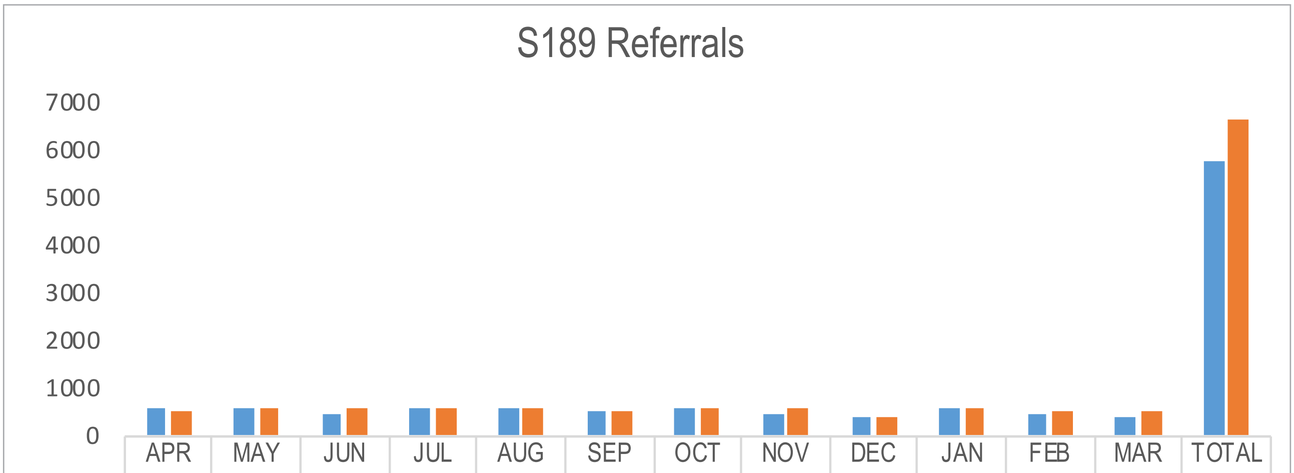
The highest number of job losses were recorded in the Mining **(5 630)**, Metal **(3 954)** and Agriculture Farming **(2 801)** sectors respectively. The CCMA sustained its job saving efforts through its continued collaborations with organisations such as Productivity SA. Ongoing support has been offered to businesses in distress and options explored to avoid job losses and survival mechanisms extended to retrenched employees. Furthermore, engagements with the Ministry of Department of Trade and Industry (DTI) and the UIF continued where these engagements were required. In supporting the national job savings efforts, the CCMA also contributed by sharing reports and data to provide an overview of retrenchment activity to the Presidential Task Team Working Committee that convened at NEDLAC.

Work with the Industrial Development Corporation (IDC) commenced in an effort to save jobs and support businesses before embarking on a S189A process. This collaboration is at a pilot stage and will result in those in financial distress applying for funding from the IDC, and those that are contemplating retrenchment applying for funding from TERS. Facilitators and TERS applicants will also benefit from the services offered by the IDC where applicable. The ESU has already provided training on TERS for the IDC project managers.

A number of Section 189A post monitoring processes were conducted for the year under review, the purpose was to monitor progress and viability of businesses. This has allowed the CCMA to proactively provide guidance and support to reduce the possibility of further retrenchments. The CCMA's approach to dealing with job losses has ensured that possibilities are explored early on to intensify job saving efforts by engaging various partner institutions. Any job lost due to retrenchment is one too many. However, the CCMA's success in this area is largely attributed to the commendable and dedicated efforts of facilitators and parties in processes to explore meaningful alternatives in order to avoid job losses.

The drive to alleviate job losses and business distress are affected and shaped by labour market conditions both locally and internationally. The negative effect of the rise in energy costs, infrastructural challenges, commodity price fluctuations, cheap imports and rising operational costs will inevitably be passed on to consumers and businesses. Unfortunately, this leads to retrenchments. There is witness to changes in the nature and future of work brought about by the 4IR will most certainly affect current and future work prospects. Similarly, this also contributes to restructuring workplaces that may result in job losses.

The number of small-scale retrenchment (S189) referrals decreased by five percent (5%) compared to the same period last year, with **6 267** referrals received when compared against the **6 600** received in the 2018/19 financial year, as shown in Figure 8.



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2019/20	573	575	472	600	582	501	612	488	395	558	484	427	5 747
2018/19	511	580	572	573	588	546	607	566	392	592	556	517	6 604

FIGURE 9: SECTION 189 (SMALL-SCALE) REFERRALS FOR THE 2019/20 FINANCIAL YEAR

The decline in the referrals in these matters is welcomed as these numbers suggest that retrenchment activity in smaller businesses subsided slightly in the 2019/20 financial year.

The revival of the TERS has made a difference, providing a lifeline and hope for many businesses and workers to navigate through very uncertain periods. The Single Adjudication Committee considered 71 applications since October 2018, with applications considered and processed within a period of 16 to 21 days. The number of applications have increased since the reconstitution of the scheme, which is indicative of the renewed faith in the TERS, but is also a sign of the challenging economic environment which is likely to persist.

44 applications were recommended to participate in the scheme, 20 were not recommended, whilst seven (7) were still being considered as at the end of the financial year. UIF. It is worth noting that the majority are workplace based applications as parties seek to explore this option rather than initiating retrenchment processes. This provides for the opportunity for businesses to work on turnaround strategies and at the same time retaining their workers in employment. Owing to the increased uptake and interest, the total number of employees due to benefit from the scheme is recorded at 5 287 at a total cost of R196 970 559.28 to the fund. The CCMA's holistic approach to continuing the work in this area will continue to require multi-stakeholder commitment that will cut across various ministries and all social partners. The strategic partnership between the CCMA and Productivity SA has resulted in applicants for TERS receiving business turn-around support through the Turn-Around Solutions (TAS) programme to ensure viability and sustainability.

In its endeavour to ensure ongoing capacity building, sharing experiences and being able to respond to the changing dynamics of the labour market, the Employment Security Unit (ESU) hosted a S189A Facilitators and Mediation Commissioners workshop on 31 October 2019. The focus of the workshop, in line with the Presidential Job Summit Agreement and the role expected to be played by facilitators and support staff, was on available support for businesses and employees facing distress. An insight was provided to facilitators on the basic principles of financial statements. A representative from Productivity SA also focused on the factors that facilitators should be aware of when examining the "rationale" for retrenchment and the existence of reasonable prospects for business turn-around and the strategic supportive role played by Productivity SA in the labour market.

The 2020/21 financial year will see the CCMA continue its pre and post retrenchment monitoring and explore opportunities in association with relevant institutions for re-skilling and adapting to the changing nature of work. An online application process to participate on the TERS to ensure quicker processing of applications and turn-around times is envisaged. Multi-stakeholder engagement and commitment that includes collaboration with relevant ministries, entities and all social partners will be intensified in order to respond to further challenges that may threaten job security.

1.1.3.STRATEGIC PRIORITY THREE: FACILITATE IMPROVED COLLECTIVE BARGAINING TO PROMOTE ORDERLY AND HEALTHY LABOUR RELATIONS

This priority ensures that the CCMA provides guidance and support in collective bargaining matters by undertaking key strategic and operational activities that are both reactive and proactive and geared towards improving collective bargaining and promoting orderly and healthy labour relations, thus enhancing labour market to advance stability and growth.

At a strategic level, all five (5) strategic targets were achieved or exceeded. In exploring new and innovative initiatives to support the labour market, the CCMA conducted three (3) Collective Bargaining Pre-Bargaining Conferences for strategically identified Users. The Collective Bargaining Pre-Bargaining Conferences process was extended to and undertaken with the following stakeholders: Wholesale and Retail Sector Education and Training Authority (W&RSETA) and National Education Health Allied Workers Union (NEHAWU); Tiger Consumer Brands (FMCG Business) and the National Union for Food, Beverage, Wine, Spirits and Allied Workers Union (NUFBWSAW); Tiger Brands' Musina Business and the Food and Allied Workers Union (FAWU).

Following positive feedback received from parties during the pilot phase of this initiative, it was decided to continue to provide this service which seeks to assist parties to prepare for the collective bargaining process before negotiations commence in order to improve the process of collective bargaining. In instances where these Collective Bargaining Pre-Bargaining Conferences were conducted, subsequent wage negotiations were resolved with relative calm and without the need to seek statutory conciliation, thereby mitigating the risk of potential industrial action.

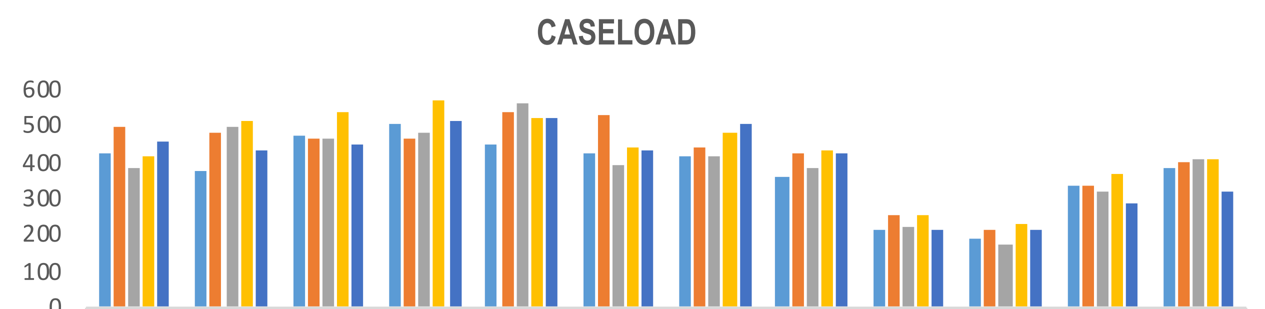
The process to facilitate the establishment of a Workplace Participatory Structure was undertaken with the Universal Healthcare Group and Worker representatives. As a means to advance workplace democratisation, the purpose of such a structure is to promote cooperation and employee involvement at an individual workplace level through consultation and co-determination on issues aimed at improving working conditions in conjunction with the growth of the company or organisation.

The targeted number of Collective Bargaining Support Processes conducted were exceeded. Eight (8) of these processes were undertaken across various sectors, against a target of six (6). Collective Bargaining Support Processes include, pre-during and post wage facilitations, balloting and verification exercises and the facilitation of any outstanding issues arising from wage negotiations that, if left unattended, may give rise to new disputes. In order to assist stakeholders in multi-union environments, verification exercises were conducted with Sentech and the National Union of Metal Workers of South Africa (NUMSA); NUMSA and Barloworld; the National Union of Public Service and Allied Workers (NUPSAW) and the Public Investment Corporation (PIC). Facilitation of various issues relating to health and safety was undertaken with the National Union of Mine Workers (NUM) and Harmony Gold Mine; A Council Levy agreement was facilitated with Kungwini Amalgamated Workers Union (KAWU) and eight (8) other unions and the Security Association of SA (SASSA – SASA) and the SA National Security Employees Association (SANSEA); wage facilitation was undertaken at the Wholesale and Retail SETA and processes facilitated with the South African Cabin Crew Association (SACCA), NUMSA, South African Airways (SAA) and SAA Technical on cost saving initiatives to assist the embattled airline.

As a part of the CCMA's ongoing initiatives to assist parties at the workplace, a Workplace Mediation Model was implemented at U-Bank and Mangosuthu University of Technology. Workplace mediation is a process whereby a third party seeks to resolve conflict that may arise between the employer and employee(s) or between employees in the workplace with an overriding aim to restore and improve future working relationships. It also provides the opportunity to address workplace conflict that may give rise to disputes and assist parties to identify meaningful solutions to sustain working relationships.

The CCMA dealt with 4 756 mutual interest disputes in the 2019/20 financial year, which is less than the 5 160 mutual interest disputes that were dealt with in the previous year. Despite the decrease in the number of matters referred to the CCMA that may have had the potential for strike action, the nature of this dispute resolution work has a direct bearing on labour market stability as circumstances surrounding such disputes are often volatile and industrial action may at times be hostile and prolonged. The CCMA managed to resolve 58% of these matters.

At a national level, the CCMA deals with an average of four hundred (400) mutual interest disputes per month. Figure 9 below sets out the number of mutual interest disputes received by the CCMA over the past five (5) years, per month. These numbers have remained fairly consistent over a five (5) year period. The numbers also suggest the extent to which the labour market has relied on the CCMA to assist with such disputes.



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
2015	423	377	474	506	449	428	412	363	215	190	338	384
2016	494	481	466	464	540	528	441	424	251	215	338	397
2017	386	495	466	485	562	392	413	383	221	174	318	408
2018	416	511	534	567	525	437	483	432	251	227	367	410
2019	454	431	445	516	521	433	503	427	209	216	285	316

2015 2016 2017 2018 2019

FIGURE 10: MUTUAL INTEREST DISPUTE OVER THE PAST FIVE YEARS

A total of **144** public interest matters were dealt with during the 2019/20 financial year, compared to the 187 of the previous year. Public interest matters are those disputes where the CCMA, in terms of section 150 of the LRA, may appoint a Commissioner to conciliate whether or not the matter has been referred to the CCMA or a Bargaining Council. The targeted settlement rate of 75% on the S150 public interest matters was exceeded at 79%. This is commendable and is attributed to the CCMA's ongoing proactive monitoring, support and guidance provided to the labour market.

The CCMA contributed to resolving various high profile wage disputes and through its active monitoring of unresolved wage disputes made appropriate offers of assistance in terms of S150 of the LRA. In instances of drawn out negotiations and where strikes had already commenced, the CCMA ensured ongoing support to stakeholders by ensuring that parties remained in process. Selected highlights are as follows:

a) **Mining Industry – Platinum Sector.** The CCMA's continuous facilitation and support processes to parties in the platinum sector led to the resolution of the platinum sector wage negotiations in respect of Anglo Platinum, Impala Platinum and Sibanye Stillwater mining operations. The parties are commended for reaching three (3) year agreements that contribute to labour market stability in the sector.

b) **Private Security Industry Council Levies Agreement.** The resolution of the Levies Agreement by parties in the Private Security Industry will pave the way and assist towards setting up the Bargaining Council. The CCMA will further support the parties towards accreditation and, where required, assess their infrastructural needs and requirements.

c) **Wage disputes in the Public Sector.** The CCMA also mediated and resolved disputes in respect of wages and conditions of employment in respect of NEHAWU and SARS; NUMSA and the Road Accident Fund (RAF); and the Communication Workers Union (CWU), South African Postal Workers Union (SAPWU) and Democratic Postal and Communications Union (DEPACU) of Members and SA Post Office Ltd.

d) **Aviation.** The CCMA successfully resolved disputes in the Aviation industry between NUMSA and Comair and SACCA, NUMSA and South African Airways (SAA). The successful resolution of the dispute at SAA came at a critical time following industrial action by employees over a period of two weeks. This provided some relief for the embattled airline and staff grappling with the sustainability of SAA's operations. The CCMA further facilitated task teams to explore cost saving initiatives to save the airline and jobs.

e) **Food Distribution.** On the eve of the Covid-19 lockdown the CCMA, with the additional support of the CCMA Director and the Minister of Employment and Labour, intervened in the illegal work stoppage by workers at a Pick n' Pay distribution centre in Longmeadow. Workers returned back to work and a process was agreed between the Retail Supply Chain Consulting Services, Adcorp Outsourcing Solutions and the NUFBWSAW to address issues in respect of health, safety and an incentive for working during the period of the COVID-19 lockdown. This was subsequently resolved. The timing and critical intervention ensured that the distribution of food to all Pick n' Pay stores, designated as essential services under lockdown regulations, would continue uninterrupted. This industrial action also had the potential to disrupt food distribution and supply countrywide. The parties are also commended for resolving this dispute and supporting governmental directives during the Covid-19 lockdown.

f) **Food Manufacturing and Production.** The dispute between the Rhodes Food Group and Workers represented by Agricultural Food and Allied Democratic Workers Union (AFADWU) and other community leaders was resolved following an illegal work stoppage during the period of the national lockdown by the CCMA Cape Town Office. A further intervention by the CCMA Port Elizabeth office led to the resolution of the dispute between Modelez and FAWU. On the eve of the COVID-19 lockdown both interventions were crucial as it may have disrupted the production and supply of food as the lockdown commenced.

The high caseload in respect of wage related disputes confirms the labour market's heavy reliance on the CCMA. It also highlights the challenges within the labour market that affects sustained growth and stability. On the positive, it also reflects the trust placed in the CCMA to provide the necessary support and guidance. However, more needs to be done to assist parties that would lead to fewer disputes coming through the CCMA by building their capacity to resolve their disputes prior to statutory conciliation. There is an increasing demand for non-statutory support processes which may require more funding and resources should the interest and uptake in these services continue.

In preparation for the collective bargaining season, the Annual Collective Bargaining Season Briefing was hosted on 9 May 2019. The briefing is an internal event intended to build capacity and prepare CCMA mediators for the bargaining season ahead. In so doing the programme sets the stage for the collective bargaining season with perspectives from both business and labour presented as well as economic forecasts on the macro-economic environment and the impact this may have on the bargaining season ahead. The programme also included a presentation on persuasion skills and the impact of the 4IR and the future of work on collective bargaining.

There are currently 35 accredited Bargaining Councils and three (3) accredited Private Agencies. The CCMA manages and supports the accreditation processes of Bargaining Councils and Private Agencies by ensuring proper monitoring and evaluation of their dispute resolution performance, subsidy payment management and to ensure that effective stakeholder relations are maintained. In addition to this, the CCMA also provides support and monitors collective bargaining across the various industries.
The CCMA hosted a CCMA - Bargaining Councils Labour Dialogue Workshop on the 04 September 2019. The workshop dealt with all accreditation matters, strengthening and maintaining stakeholder relationships, identifying and addressing challenges faced by Bargaining Councils and Private Agencies in terms of accreditation, operations and collective bargaining. The ongoing support and monitoring ensures that Bargaining Councils and Private Agencies are able to perform their functions. The consequence of Bargaining Councils and Private Agencies being unable to perform their functions will place a tremendous operational burden on the CCMA's dispute resolution capacity and service delivery. The value of hosting this workshop ensures that Bargaining Councils and Private Agencies can share experiences and adopt a consistent approach to dispute resolution across the labour market.

Over the past financial year, concerted efforts to work closely and support Bargaining Councils and Private Agencies has led to the following:

a) A review of the settlement rates and performance criteria applicable to Private and Public Sector Bargaining Councils and panellists, taking into account industry or sector dynamics;
b) A process for appointment of new panellists to address capacity challenges faced by Bargaining Councils and Private Agencies;
c) A mentorship programme for new panellists appointed at Bargaining Councils and Private Agencies;
d) The roll out of the Case Management System (CMS) to additional Bargaining Councils and Private Agencies; and
e) Regular visits and engagements with Bargaining Councils and Private Agencies.

The ongoing support to Bargaining Councils and Private Agencies ensures some measure of stability in the broader labour market. The CCMA plays an integral role in advancing labour market stability and economic development. Dedicated efforts by CCMA mediators and its proactive approach to monitoring collective bargaining trends and developments has ensured a commendable success rate in contributing to labour market stability. The CCMA remains committed to working with all stakeholders to create an environment that encourages foreign investment that in the long- term could sustain and lead to more job opportunities.

In the 2020/21 financial year, the CCMA will continue to enhance its role in contributing to economic development and advancing labour market stability by empowering stakeholders through an array of collective bargaining support services. The CCMA will continue to actively monitor the expiry of collective agreements and collective bargaining developments in high profile disputes and make appropriate process offerings where required. The CCMA will also pursue inter-Ministerial and social partner collaboration and support for CCMA initiatives, where required, in order to sustain prolonged stability in the labour market aimed at mitigating the consequences of protracted collective bargaining disputes and intensifying its job saving efforts.

The CCMA will revive its advocacy to market all CCMA services including actively promoting the TERS and build capacity that includes developing sector specialists to attend to, and adapt to the specific needs of the labour market. The process to roll out the CMS will continue in order to assist Bargaining Councils and Private Agencies to manage their operations. This will also assist in providing a comprehensive picture of the state of dispute resolution in the labour market.

1.1.4.STRATEGIC PRIORITY FOUR: INTENSIFY DISPUTE MANAGEMENT AND PREVENTION INTERVENTIONS TO REDUCE CONFLICT IN THE WORKPLACE AND TRANSFORM WORKPLACE RELATIONS

In its quest to achieve the fourth strategic priority of intensifying DMP interventions to reduce conflict in the workplace and transform workplace relations, the CCMA delivered 38 Effective Negotiation Skills (ENS) capacity building interventions to strategically identify Users. Another eight (8) ENS capacity building interventions were delivered to build the capacity of the different Bargaining Councils and/or Private Agencies including the following: Bargaining Council for Food, Retail and Restaurant industry and to the Employers' Organisation and Trade Union representatives from various Bargaining Councils, including the Motor Industries Bargaining Council (Western Cape Chamber); Motor Industries Bargaining Council (KwaZulu-Natal Chamber); National Bargaining Council for the Clothing Manufacturing Industry; the Transnet Bargaining Council and the Public Health and Social Development Sectoral Bargaining Council (Northern Cape and KwaZulu-Natal Chambers). The Bargaining Councils and their respective Chambers were strategically targeted with the view of preparing them for their upcoming collective bargaining season and/or wage negotiations.

The National Office and the Kwa - Zulu Natal Regional Office Dispute Prevention and Workplace Outreach (DP&WO) teams organised an ENS training workshop for the Public Health and Social Development Sectoral Bargaining Council (PHSSBC) in Pietermaritzburg, KwaZulu-Natal on 16 and 17 March 2020. In terms of the original plan, three training workshops were scheduled for the parties belonging to this Council. The first one was planned for the Northern Cape Chamber from 3 to 4 March 2020, the second one for the KwaZulu-Natal Chamber from 16 to 17 March 2020 and the third one for the North West Chamber from 30 to 31 March 2020. The first two (2) training workshops, proceeded as planned. However, the third training workshop scheduled for the North West Chamber was postponed due to the COVID-19 national lockdown. It is hoped that these training interventions will contribute towards the enhancement of labour peace and stability in the labour market which is a necessary catalyst for the socio-economic development of the country.

The Limpopo Regional Office DP&WO team arranged and delivered an ENS training session for participants from different companies from 17 to 19 February 2020. The content of the training intervention focused on the entire negotiation process covering managing conflict, emotional intelligence, communication skills and problem solving skills. Participants conducted role plays designed to simulate an actual negotiation experience.

The National Office DP&WO team arranged and delivered an ENS training workshop for the parties of the Transnet Bargaining Council at the National Ports Authority head office in Parktown, Johannesburg from 3 to 5 February 2020. The participants were drawn from management and trade unions namely, SATAWU and the United Transport and Allied Trade Union (UNTU).

The Tshwane Region won the Best Performing DP&WO Region category at the 2019 CCMA Excellence Awards Gala Dinner. This award is awarded to the Region that has performed consistently well over the period from November 2018 to October 2019. The DP&WO performance is based on a quality measure consisting of two (2) factors, namely: Adherence to the Regional Operational Plan and User Satisfaction Rating. The Tshwane Region performed very well throughout the period under review and amongst its deliverables were a number of presentations on "Embracing Diversity in the Workplace" which were delivered cross all the campuses of the Tshwane University of Technology (TUT) in support of TUT's efforts to address racism within the institution.

In recognition of the promulgation of the NMWA, amendments to the BCEA and the LRA, as well as the Code of Good Practice (COGP) on Collective Bargaining, Industrial Action and Picketing, and the Ekurhuleni Accord on Collective Bargaining and Industrial Action, the CCMA developed resource and training material that was utilised in a national advocacy campaign to create awareness on the latter. A total of one 119 advocacy campaign activities were delivered across the twelve (12) Regional offices as per the Advocacy Campaign Plan.

The purpose of the Advocacy Campaign Plan was to increase CCMA Users and stakeholders' understanding of the interpretation and application of the NMWA, the amendments to the COGP and the Accord, serving on the one hand as a basis for improved management and prevention of disputes being referred to the CCMA and, on the other hand, ensuring greater access to the CCMA by enhancing knowledge of employee rights.

The activities of the Advocacy Campaign Plan were delivered through the following platforms: presentations in User, Sector and Stakeholder Forums, presentations at Social Partner events, presentations at CCMA Shop Stewards and Annual Labour Law Conferences, updates on the CCMA website, distribution of information sheets and promotional materials, pocket statutes, as well as through free slots on radio talk-shows, amongst others. All the radio talk-shows were delivered in partnership with various community radio stations with some of the radio -stations operating under the South African Public Broadcaster (SABC).

A workshop was organised against the backdrop of social and community unrest in the Sundays River Valley citrus growing agricultural region experienced four months prior to the implementation of the NMWA. The members of the Citrus Growers Association were initially reluctant to participate in the various interventions proposed by the CCMA to avoid a recurrence of the events of 2018. The unrest resulted in damages and loss of business infrastructure amounting to over R2 million. Through the collaborative efforts of the CCMA, the DEL and the local municipality the stakeholders reached an agreement to increase wages to R20.00 per hour which is more favourable compared to the then national minimum wage of R18.00 per hour applicable to the agricultural sector. The success of this intervention demonstrates the impact of an effective and collaborative partnership with role players in the labour market which the CCMA continues to forge and promote with its strategic partners.

The Gauteng Johannesburg and Tshwane Regions organised and delivered a ground breaking joint initiative when they held a Domestic Sector Workshop in Parktown, Johannesburg on 13 April 2019. This workshop was arranged in support of the CCMA's quest to raise awareness around the then newly promulgated NMWA and related amendments to the BCEA.

Seeing that the NMWA, one of the purposes of which is to advance economic development and social justice by improving the wages of the lowest paid workers, came into operation on 01 January 2019, it was envisaged that vulnerable workers will be eager to hear more about how the NMWA affects them and how non-compliance with the provisions of the NMWA will be enforced through the amended BCEA. The presentation on the NMWA was well received by the attendees. If one could draw an inference from the number and type of questions that were asked by the attendees there is a need to run similar kinds of workshops across the country and across sectors that are affected by the provisions of the NMWA.

The CCMA intensified its efforts to transform workplace relations in the labour market by ensuring that each of the 12 Regions identify and target one (1) of its high referring workplaces with the view of engaging and agreeing on a project plan to be implemented throughout the year under review. The beneficiaries of these projects were exposed to different capacity building interventions agreed upon by the representatives of Management and organised labour, duly informed by the needs of the respective workplaces. All 12 Regions identified and engaged with their respective high referring workplaces in various sectors of the economy, with project plans being agreed on and signed-off by the stakeholders. These project plans were implemented with quarterly progress reports submitted at the end of the second and third quarters. All the Regions prepared and submitted their respective Close-Out Reports at the end of the fourth quarter of the 2019/20 financial year. Table 4 depicts the workplaces that were identified and targeted for the Transformation of Workplace Relations Projects and the sectors in which they operate:

TABLE 4: TRANSFORMATION OF WORKPLACE RELATIONS PROJECTS

NO	REGION	ORGANISATION COMPANY	SECTOR
1	East London	Amatola Water Board	Services
2	Port Elizabeth	Tyke Security	Private Security
3	Free State	Harmony Gold Company	Mining
4	Ekurhuleni	Unilever (Pty) Ltd	Manufacturing
5	JHB/ Vaal	Clinix Health Group Management	Health/ Medical
6	Tshwane	Tshwane University of Technology	Higher Education
7	KwaZulu-Natal	Checkers and Shoprite Holdings	Retail
8	Limpopo	De Beers Group - Venetia Mine	Mining
9	Mpumalanga	Glencore Operations South Africa (Pty) Ltd	Mining
10	Northern Cape	Namakhoi Municipality	Local Government
11	North West	Impala Platinum Mines	Mining
12	Western Cape	Client Club Travel (Pty) Ltd	Tourism

A total of **169** capacity building interventions aligned with the needs of the labour market were delivered to Users and stakeholders during the year under review. These interventions were mainly focused on specialist areas of the employment law, including training related to the NMWA, amendments to the BCEA and LRA, the COGP and the amended statutory referral forms as well as the CCMA Rules. In total, the CCMA delivered **1 707** activities/interventions (inclusive of awareness raising activities, capacity building activities and social justice blockages activities). Approximately **55 750** people were capacitated in this way.

1.2. ESSENTIAL SERVICES COMMITTEE (ESC)

On 10 to 20 September 2019, under Gazette No. 42608, Volume 405 of 2019, the ESC undertook to investigate whether or not the whole or part of the following services should be designated as essential:

a) Correctional Services;
b) Services required for the functioning of courts; and
c) Production, transport and distribution of fuel.

By notice GN R1216 in Government Gazette 18276, dated 12 September 1997, the ESC designated a number of services as essential services including correctional services and services required for the functioning of the courts. Given the SAPS vs POPCRU (2011) 32 ILJ 1603 (CC) judgment which endorsed the concept of restrictive interpretation of essential services and the fact that these designations were couched in wide terms. The ESC, as part of its continuous improvement reviewed the said designations. The ESC received oral and written submissions from interested parties (POPCRU, NEHAWU, the Department of Justice and the NPA) in relation to these services.

In respect of the Correctional Services designation, the ESC panel that heard the matter concluded that the designation issued by the ESC in 1997 should be amended.

a) Correctional Services. The ESC designated Correctional Services as an essential service, but the following services in Correctional Services were excluded from this designation: Human Resources (Human Resources Administration and Human Resources Management), Education, Religious Care, Supply Chain, Finance, Employee Relations, Employee Assistance and Agriculture and span duty.
b) Services required for the functioning of courts. In respect of the functioning of the courts, the panel, varied the determination made in 1997 and ruled that the services required for the functioning of the courts, including the Thuthuzela Care Centre, are designated as essential services. This designation excludes the following services: Human Resources at courts, regional and provincial offices of the Department of Justice and the National Prosecuting Authority (NPA), administrative services at the Regional and Provincial Offices of the Department of Justice and National Prosecuting Authority; and services rendered by grounds men, cleaners, ushers and library assistants at courts.
c) Production, transportation and distribution of fuel. The ESC initiated an investigation as to whether the production, transportation and distribution of fuel should be designated as an essential service.

In order to render most of the essential services effectively there is huge reliance on fuel. This service is however, not designated as an essential service. The ESC considered this situation and decided to conduct an investigation with the view of establishing whether there was a real or perceived gap in the circumstances. The panel and the parties identified the need for further evidence and the matter is ongoing.

The ESC received a referral from Mercury Couriers requesting the ESC to conduct an investigation in terms of Section 71 read with Section 70(2) (a) of the LRA, as to whether the transportation of optical lenses is an essential service. The ESC issued a notice in the Government Gazette (Gazette No 42608, Volume 405 of 2019, dated 02 August 2019).

The submissions that were made were that the lenses that are transported include lenses used for spectacles and for surgical operations. No clear indication from the representations made, that if the couriers indeed went on strike, this would result in clear endangerment to life and personal safety or health of the whole or part of the population. From the representation made, it was evident that the requirement for the courier services to be designated as an essential service was more of a convenience factor than of a factor as per the requirements for the designation of a service to be an essential service. On the submissions made, the panel concluded that it was not convinced that the interruption of the service of transportation of optical lenses would endanger the life, or health of the population or part thereof. Consequently, the matter was dismissed.

In terms of Section 70B (a) of the LRA, the ESC is required to monitor the implementation and observance of essential services designations. The monitoring and evaluation exercise seeks to understand from the employer and employees whether or not essential services legislation was observed during a strike and, if not, why it was not observed.

During the period under review, it was revealed in the monitoring and evaluation exercises that whilst there is an appreciation of essential services and the minimums to be maintained during a strike there are certain issues that lead to employees embarking on unprotected strikes. The following factors were identified as the causes of the non-compliance with essential service designations, minimum services agreements or determinations:

a) Unresolved employee grievances which resulted in employee frustration (Dr. Yusuf Dadoo Hospital);
b) Failure by the employer to pay employees' salaries (Amahlathi Local Municipality);
c) Lack of clarity/agreement in terms of job description of employees (Germiston Mortuary);
d) Alleged unfair labour practices (City of Tshwane and eThekwini Municipality);
e) Failure by Management to implement arbitration awards and safety regulations (Victor Khanye Municipality);
f) Failure to remunerate employees (Amathole District Municipality);
g) Scales of remuneration (Rand West City and Merafong Local Municipality) and
h) Overtime disputes (City of Cape Town and Emergency Medical Services in the Eastern Cape).

At the centre of the above non-compliance, the ESC noted the gaps in the dispute resolution systems of the parties. In partnership with the CCMA, we are working together to close the gaps identified

As part of its legislated functions, the ESC must promote effective dispute resolution in essential services. The ESC, during the 2019/20 financial year, conducted three (3) self-initiated cases in order to determine whether or not the whole or a part of any service is an essential service. The ESC also monitored 12 Essential Service Designations, Minimum Services Agreements, Minimum Service Determinations and/or Maintenance Service Determinations for compliance and observance. The ESC noted the gaps in the dispute resolution systems of the parties during its monitoring and evaluation exercise. This led to the identification of imminent deterioration of work place relations.

For instance, subsequent to a monitoring and evaluation exercise conducted at Germiston Mortuary (which is an essential service), the employer sought assistance following threats that employees at the facility were going to embark on a strike in December 2019. Given the catastrophic results that were likely to follow if that eventuality took place, the CCMA's Building Workplace Relations (BWR) intervention was implemented. The intervention served to improve relations and the existing internal dispute resolution mechanism at the Germiston Mortuary.

All the attendees agreed that the status of labour relations had deteriorated and that there was a need to turn the situation around. The process was a success and it ensured that the essential services rendered by the mortuary continued. What was also apparent is that part of the problem is the ineffective dispute resolution mechanism of the parties. The BWR process by the CCMA provided the platform to deal with this and, in collaboration with the ESC, the two institutions intend on improving dispute resolution mechanisms in other essential services.

1.3. ORGANISATIONAL ENVIRONMENT

The foremost challenge which affected the CCMA and the execution of its legislative functions has been the fiscal constraints coupled with the increasing referral rate and expanded jurisdiction. The country's economic downturn added to the augmented referrals and impeded on the enhancements and digitisation of processes.

1.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

No major legislative amendments or policies have been affected during the period under review.

1.5. STRATEGIC OUTCOME ORIENTED GOALS

This section outlines the strategic outcome orientated goals of the CCMA with their accompanying programmes, strategic objectives, key performance areas, indicators and targets and also shows how they are aligned to the NDP 2030. Table 5 outlines the programmes and strategic objectives and the baseline for the strategic outcome orientated goal one (1):

TABLE 5: STRATEGIC OUTCOME ORIENTED GOAL ONE (1)

STRATEGIC OUTCOME ORIENTED GOAL ONE (1) Enhance and extend service delivery to transform workplace relations and advance development GOAL STATEMENT: The CCMA will enhance and extend service delivery to transform workplace relations and advance development in the five (5) year period	
PROGRAMME 1: ADMINISTRATION	
PROGRAMME PURPOSE	To provide overall management of the CCMA system in accordance with the LRA, PFMA and other policies
LINKED STRATEGIC OBJECTIVE	Strategic objective 3: Building knowledge and skills
STRATEGIC OBJECTIVE STATEMENT	The CCMA strives to contribute towards building knowledge and skills in the labour market through the development and delivery of capacity building initiatives aligned with the needs of the labour market as well as professionalising the labour market
BASELINE	Nine (9) new capacity building programmes aligned with the needs of the labour market developed between the 2015/16 and 2016/17 financial years as well as 75% compliance with the set standard for the delivery of the Labour Dispute Resolution Practice (LDRP) programme as a means to further professionalise the labour relations industry. During 2018/19 financial year 102 capacity building interventions aligned with the needs of the labour market delivered.
PROGRAMME 2: INSTITUTIONAL DEVELOPMENT	
PROGRAMME PURPOSE	To improve service delivery through capacity building
LINKED STRATEGIC OBJECTIVE	Strategic objective 2: Advancing good practices at work and transforming workplace relations
STRATEGIC OBJECTIVE STATEMENT	The CCMA will strive to advance good practices in workplaces and transform workplace relations by pro-actively facilitating improved collective bargaining, managing conflict in the workplace, and transforming workplace relations
BASELINE	Continuous improvements to collective bargaining processes and predicting and managing conflict in the workplace and the transformation of workplace relations
PROGRAMME 3: SOCIAL SERVICES	
PROGRAMME PURPOSE	Provide services for conciliation of workplace disputes and arbitration of disputes that remain unresolved after conciliation to the public
LINKED STRATEGIC OBJECTIVE	Strategic objective 1: Enhancing the labour market to advance stability and growth
OBJECTIVE STATEMENT	The CCMA will strive to enhance labour market stability and growth by providing thought leadership and facilitating social dialogue, advancing employment security, strengthening partnerships for better delivery, enhancing accessibility to services; and pro-actively responding to labour market developments
BASELINE	Between the 2015/16 and 2017/18 financial years it is estimated that fourteen (14) thought leaderships will be convened and social dialogue facilitated and that on average, thirty-five percent (35%) of jobs will be saved as per jobs referred to the CCMA. During 2018/19 financial year, 41% of job saved compared to employees likely to be retrenched.

Table 6 outlines the programmes and strategic objectives and the baseline for the strategic outcome orientated goal two (2):

TABLE 6: STRATEGIC OUTCOME ORIENTED GOAL TWO (2)

STRATEGIC OUTCOME ORIENTED GOAL 2: Strive for organisational effectiveness GOAL STATEMENT: The CCMA will strive for organisational effectiveness in the five (5) year period	
PROGRAMME 4: CORPORATE GOVERNANCE	
PROGRAMME PURPOSE	A Governing Body, which is appointed by the Minister of Labour (the Executive Authority), is appointed as the Accounting Authority of the CCMA. Its oversight functions are defined by the LRA as well as other governance and compliance legislation
LINKED STRATEGIC OBJECTIVE	Strategic objective 4: Optimising the organisation
STRATEGIC OBJECTIVE STATEMENT	The CCMA will strive to optimise the organisation to support delivery of the strategy through embedding a culture that facilitates implementation of the new strategic direction, utilising resources optimally and providing for continuous professional development aligned with the needs of the organisation and our people
BASELINE	Throughout all financial years, the CCMA strives for 100% implementation of its legislative mandate

2. PERFORMANCE INFORMATION BY STRATEGIC OBJECTIVE

The tables that follow provide a detailed breakdown of performance per Programme and Strategic Objective for the 2019/20 financial year. Due to year-on-year changes of the performance indicators, direct year-on-year performance comparison is not possible, and as such, performance of prior years is not included in the CCMA's 2019/20 Annual Report.

2.1. STRATEGIC OBJECTIVE ONE (1): ENHANCING THE LABOUR MARKET TO ADVANCE STABILITY AND GROWTH

TABLE 7: PERFORMANCE OF STRATEGIC OBJECTIVE ONE (1): ENHANCING THE LABOUR MARKET TO ADVANCE STABILITY AND GROWTH: AGAINST TARGETS

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
1.1 Provide thought leadership and/ or facilitate social dialogue on strategic labour market issues	1.1.1 Number (#) of engagements convened with strategic labour market stakeholders to provide thought leadership and facilitate social dialogue on identified strategic labour market issues	Two (2) engagements convened with strategic labour market stakeholders to provide thought leadership and facilitate social dialogue on identified strategic labour market issues	Five (5) engagements convened with strategic labour market stakeholders to provide thought leadership and facilitate social dialogue on identified strategic labour market issues. Target achieved	+ 3	Over-achievement on this target is attributed to the diagnostic analysis of the operating environment that was conducted as part of the new strategy development process. The diagnostic analysis revealed that there were specific labour market specific issues relating to the youth, which the CCMA must consider in its planning processes. In this regard, two (2) Youth Think Tank engagements were convened

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
1.2 Deliver capacity building interventions to enhance the labour market	1.2.1 Number (#) of capacity building interventions on effective negotiation skills covering aspects of the Code of Good Practice (COGP) and the Accord on Collective Bargaining, Industrial Action and Picketing (the Accord) delivered to strategically identified Users	36 capacity building interventions on effective negotiation skills covering aspects of the COGP and the Accord delivered to strategically identified Users	38 Capacity building interventions on effective negotiation skills covering the COGP and the Accord delivered to strategically identified Users. Target achieved	+ 2	Over- achievement on this target is attributed to additional User requests in the East London , Mpumalanga and Johannesburg Regions
	1.2.2 Number (#) of capacity building interventions covering aspects of the COGP and the Accord delivered to Bargaining Councils and/or Private Agencies	Eight (8) capacity building interventions covering aspects of the COGP and the Accord delivered to Bargaining Councils and/or Private Agency (ies)	Eight (8) capacity building interventions covering aspects of the COGP and the Accord delivered to Bargaining Councils and/or Private Agencies. Target achieved	Not applicable	None, the target was achieved as planned
	1.2.3 Percentage (%) of Advocacy Campaign Plan on the National Minimum Wage, the COGP and the Accord delivered to Users and stakeholders	100% of the Advocacy Campaign Plan on the National Minimum Wage, the COGP and the Accord delivered to Users and stakeholders	100% of the Advocacy Campaign Plan on the National Minimum Wage, the COGP and the Accord delivered to Users and stakeholders. Target achieved	Not applicable	None, the target was achieved as planned

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
1.3 Advance employment security	1.3.1 Percentage (%) of jobs saved compared to employees likely to be retrenched (as per cases referred to the CCMA)	35% of jobs saved compared to employees likely to be retrenched (as per cases referred to the CCMA)	42% (21 846/51 995) of jobs saved compared to employees likely to be retrenched (as per cases referred to the CCMA). Target achieved	+ 7%	Over-achievement on this target is attributed to labour market needs and the CCMA's dedication to saving jobs

2.1.1. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No underperformance was registered for this strategic objective.

2.1.2. CHANGES TO PLANNED TARGETS

There were no in-year changes to planned targets during the 2019/20 financial year.

2.1.3. LINKING PERFORMANCE WITH BUDGET

TABLE 8: STRATEGIC OBJECTIVE ONE (1): ENHANCING THE LABOUR MARKET TO ADVANCE STABILITY AND GROWTH: LINKING WITH BUDGET

	2019/20			2018/19		
Strategic Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Objective One (1)	13 190	10 826	2 364	12 451	11 274	1 177
Total	13 190	10 826	2 364	12 451	11 274	1 177

2.2. STRATEGIC OBJECTIVE TWO (2): ADVANCING GOOD PRACTICES AT WORK AND TRANSFORMING WORKPLACE RELATIONS

TABLE 9: PERFORMANCE OF STRATEGIC OBJECTIVE TWO (2): ADVANCING GOOD PRACTICES AT WORK AND TRANSFORMING WORKPLACE RELATIONS: AGAINST TARGETS

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
2.1 Proactively facilitate improved Collective Bargaining	2.1.1 Number (#) of Collective Bargaining Pre-Bargaining Conferences conducted for strategically identified Users	Three (3) Collective Bargaining Pre-Bargaining Conferences conducted for strategically identified Users	Three (3) Collective Bargaining Pre-Bargaining Conferences conducted for strategically identified Users. Target achieved	Not applicable	None, the target was achieved as planned
	2.1.2 Number (#) of workplace participatory structures facilitated in strategically identified entities	One (1) workplace participatory structure facilitated in a strategically identified entity	One (1) workplace participatory structure facilitated in a strategically identified entity. Target achieved	Not applicable	None, the target was achieved as planned
	2.1.3 Number (#) of Collective Bargaining Support Processes conducted for strategically identified Users	Six (6) Collective Bargaining Support Processes conducted for strategically identified Users	Eight (8) Collective Bargaining Support Processes conducted for strategically identified Users. Target achieved	+ 2	Over-achievement on this target is attributed to increased demand for the CCMA's support services
	2.1.4 Number (#) of strategically identified Users subjected to the Workplace Mediation Model	One (1) strategically identified User subjected to the Workplace Mediation Model	Two (2) strategically identified Users subjected to the Workplace Mediation Model. Target achieved	+ 1	Over-achievement on this target is attributed to proactive labour market monitoring, stakeholder support and uptake, as well as confidence of Users and stakeholders in the CCMA's services

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
2.2 Transform workplace relations	2.2.1 Number (#) of transformation of workplace relations projects delivered to targeted Users	12 transformation of workplace relations projects delivered to targeted Users	12 transformation of workplace relations projects delivered to targeted Users. Target achieved	Not applicable	None, the target was achieved as planned

2.2.1. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No underperformance was registered for this strategic objective.

2.2.2. CHANGES TO PLANNED TARGETS

There were no in-year changes to planned targets during the 2019/20 financial year.

2.2.3. LINKING PERFORMANCE WITH BUDGET

TABLE 10: STRATEGIC OBJECTIVE TWO (2): ADVANCING GOOD PRACTICES AT WORK AND TRANSFORMING WORKPLACE RELATIONS: LINKING WITH BUDGET

	2019/20			2018/19		
Strategic Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Objective Two (2)	14 992	9 573	5 396	15 448	8 232	7 216
Total	**14 992**	**9 573**	**5 396**	**15 448**	**8 232**	**7 216**

2.3. STRATEGIC OBJECTIVE THREE (3): BUILDING KNOWLEDGE AND SKILLS

TABLE 11: PERFORMANCE OF STRATEGIC OBJECTIVE THREE (3): BUILDING KNOWLEDGE AND SKILLS: AGAINST TARGETS

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
3.1 Develop and deliver capacity building programmes for Users aligned with the needs of the labour market	3.1.1 Number (#) of capacity building interventions aligned with the needs of the labour market delivered to Users	144 capacity building interventions aligned with the needs of the labour market delivered to Users	169 capacity building interventions aligned with the needs of the labour market delivered to Users. Target achieved	+ 25	Over-achievement on this target is attributed to increased demand for training on the National Minimum Wage Act, the BCEA, the LRA Amendments and the CCMA Rules

2.3.1. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE
No underperformance was registered for this strategic objective.

2.3.2. CHANGES TO PLANNED TARGETS
There were no in-year changes to planned targets during the 2019/20 financial year.

2.3.3. LINKING PERFORMANCE WITH BUDGETS

TABLE 12: STRATEGIC OBJECTIVE THREE (3): BUILDING KNOWLEDGE AND SKILLS: LINKING PERFORMANCE WITH BUDGET

	2019/20			2018/19		
Strategic Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Objective Three (3)	29 640	25 612	4 001	22 631	24 008	(1 377)
Total	**29 640**	**25 612**	**4 001**	**22 631**	**24 008**	**(1 377)**

2.4. STRATEGIC OBJECTIVE FOUR (4): OPTIMISING THE ORGANISATION

TABLE 13: PERFORMANCE OF STRATEGIC OBJECTIVE FOUR (4): OPTIMISING THE ORGANISATION: AGAINST TARGETS

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
4.1 Effectively and efficiently implement the legislative mandate of the CCMA	4.1.1 Percentage (%) of all conciliated (heard) cases at first event within 30 days of the date of receipt of the referral (this excludes agreed extensions)	100% of all cases conciliated (heard) at first event within 30 days of the date of receipt of the referral (this excludes agreed extensions)	98.75% (145 611 out of 147 455) of all conciliated (heard) cases at first event within 30 days of the date of receipt of the referral (this excludes agreed extensions). Target not achieved	(1.25%)	Non-achievement of this target is attributed to failure by Administrative staff to schedule matters to be heard within the 30day time frame. Furthermore, the manner in which the technical indicator was drafted did not take into consideration aspects such as the issuing of certificates
	4.1.2 Percentage (%) of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (this excludes extensions granted and heads of arguments filed)	100% of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (this excludes extensions granted and heads of arguments filed)	99.76% (21 963 out of 22 016) of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (this excludes extensions granted and heads of arguments filed). Target not achieved	(0.22%)	Non-achievement of this target is attributed to the failure of Commissioners to render their awards within 10 days after the finalisation of matters, as well as administrative errors in not sending out awards within the 14 day time frame

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
	4.1.3 Number (#) of self–initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service	Two (2) self-initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service	Three (3) self-initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service. Target achieved	+ 1	Over-achievement on this target is attributed to the fact that during the year under review, the ESC proactively pursued cases for investigation in order to determine whether a service is essential or not, without waiting for parties to refer matters for investigation, prompted by a variety of factors such as an imminent or significant event in a particular sector or entity
	4.1.4 Percentage (%) of Section 71 of the LRA Act cases investigated within 21 days after the notice is published (as and when referred)	100% of Section 71 of the LRA Act cases investigated within 21 days after the notice is published (as and when referred)	0% of Section 71 of the LRA Act cases were investigated within 21 days after the notice -was published (as and when referred). Target not achieved	(100%)	Non-achievement on this target is attributed to an oversight in drafting the target, wherein the operational practicalities around the 21 day time frame of investigation after the publication of the notice was not properly conceptualised

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
	4.1.5 Number (#) of Essential Service Designations, Minimum Services Agreements, Minimum Service Determinations and/or Maintenance Service Determinations monitored for compliance and observance	10 Essential Service Designations, Minimum Services Agreements, Minimum Service Determinations and/or Maintenance Service Determinations monitored for compliance and observance	12 Essential Service Designations, Minimum Services Agreements, Minimum Service Determinations and/or Maintenance Service Determinations monitored for compliance and observance. Target achieved	+ 2	Over-achievement on this target is attributed due to that the ESC, in noting the increase in industrial actions in services which are designated as essential, conducted additional monitoring and evaluation exercises in order to establish reasons of non-compliance as well as delivering effective dispute resolution mechanisms to parties
4.2 Enhance policies, systems and processes to ensure sound governance, compliance and risk management	4.2.1 Percentage (%) of the 2019/20 Risk Management Implementation Plan executed in order to maintain the organisation's risk maturity level	100% of the 2019/20 Risk Management Implementation Plan executed in order to maintain the organisation's risk maturity level	125% (75/60) of the 2019/20 Risk Management Implementation Plan executed in order to maintain the organisation's risk maturity level. Target achieved	+ 25%	Over-achievement on this target is due to the ad hoc risk analysis requested by Management and the need for increased risk awareness within the organisation
	4.2.2 Optimised compliance maturity (level 5) attained	Optimised compliance maturity (level 5) attained	Optimised compliance maturity (level 5) attained. Target achieved	Not applicable	None, the target was achieved as planned

Key Performance Area	Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
4.3 Provide for Continuous Professional Development aligned with the needs of the organisation and our people	4.3.1 Number (#) of training interventions delivered to capacitate the workforce for efficient and effective delivery of the CCMA mandate	47 training interventions delivered to capacitate the workforce for efficient and effective delivery of the CCMA mandate	71 training interventions delivered to capacitate the workforce for efficient and effective delivery of the CCMA mandate. Target achieved	+ 24	Over-achievement on this target is attributed to 16 additional trainings requested by Departments and Regions. Furthermore, eight (8) additional training interventions which did not form part of the approved Annual Training Plan for 2019/20 were delivered in the fourth quarter of the financial year under review, as priority interventions to support core business

2.4.1. STRATEGY TO OVERCOME AREAS OF UNDER - PERFORMANCE

Underperformance registered for this strategic objective was mainly related to the legislated targets emanating from disjuncture between the description of the indicator in the APP and the available internal data from the Case Management System. The performance indicator 4.1.4 was not achievement due to an oversight in drafting the target, wherein the operational practicalities around the 21-day time frame of investigation after the publication of the notice was not properly conceptualised.

A deeper analysis of the internal processes related to the delivery of these core functions was carried out and areas of disjuncture were identified. The indicators were then revised to align them with functions and the available evidence.

2.4.2. CHANGES TO PLANNED TARGETS

There were no in-year changes to planned targets during the 2019/20 financial year.

2.4.3. LINKING PERFORMANCE WITH BUDGETS

TABLE 14: STRATEGIC OBJECTIVE 4: OPTIMISING THE ORGANISATION: LINKING PERFORMANCE WITH BUDGET

	2019/20			2018/19		
Strategic Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Objective 4	983 247	1 007 404	(24 157)	995 030	937 013	58 017
Total	**983 247**	**1 007 404**	**(24 157)**	**995 030**	**937 013**	**58 017**

3. REVENUE COLLECTION

TABLE 15: REVENUE COLLECTION FOR THE CCMA DURING THE 2019/20 FINANCIAL YEAR

	2019/20			2018/19		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	976 810	978 731	(1 921)	963 066	965 905	(2 839)
Rendering of services	14 637	6 456	8 181	6 101	5 554	547
Other Income	0	1 061	(1 061)	0	291	(291)
Investment Income	11 729	13 420	(1 691)	11 364	14 762	(3 398)
Total	**1 003 176**	**999 668**	**3 508**	**986 512**	**986 665**	**(5 981)**

The main source of revenue for the CCMA is the government grant of R978 million (2019: R963 million). Other revenue comprises rendering of services, other income and investment income. An additional grant transfer of R1.9m was received from the Department of Employment and Labour to assist with conscientious objectors for the 2019/20 financial year.

Investment income collected during the current financial year was due to better interest yields derived from the investment. The under collection of revenue from rendering of services was due to reduced demand on discretionary services offered by the CCMA.

4. CAPITAL INVESTMENT

TABLE 16: CCMA CAPITAL INVESTMENT AS AT 31 MARCH 2020

Asset Class	Opening book value (R)	Additions YTD (R)	Disposals YTD (R)	Depreciation (R)	Asset under Development (R)	Transfers (R)	Closing Book Value (R)
Computer Equipment	12 460 456	17 132 899	(94 398)	(6 386 482)			23 112 475
Computer Software	12 510 774	19 654 817	(10)	(15 591 888)	416 900		16 990 593
Furniture & Fittings	8 264 413	127 105	(67 056)	(3 127 195)		(1 681)	5 195 586
Leasehold Improvement	1 141 656	86 035	(44)	(336 370)			891 277
Motor Vehicle	307 245			(111 095)			196 150
Office Equipment	1 288 260	243 337	(19 983)	(455 680)			1 055 934
Leased Motor Vehicle	46 124	35 034	(1)	(57 802)			23 356
Leased Office Equipment	3 422 802	863 158	(153)	(3 886 417)			399 390
Small value assets	(1 681)					1 681	0
Total	**39 440 049**	**38 142 385**	**(181 645)**	**(29 952 929)**	**416 900**	**0**	**47 864 761**

5. FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

TABLE 17: FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

ITEM	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000	2019/20 R'000
Grant income and services rendered	737 918	796 899	885 402	986 512	999 668
Accumulated surplus	55 121	55 826	80 198	86 293	32 271
Interest received	16 560	17 664	11 763	14 762	13 420
Investments and cash	90 182	89 218	141 161	180 289	96 658
Current ratio	1.31	1.31	1.30	1.34	1.03

PART C
GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. The CCMA's Governing Body and Management are committed to embedding the culture of good corporate governance within the CCMA. In so doing systems and processes are put into place in compliance with relevant legislations and the adopted King IV Report on Corporate Governance in South Africa. The Portfolio Committee on Labour, the Ministry of Employment and Labour, the Executive Authority and the Governing Body, as the Accounting Authority, are responsible for exercising oversight over the CCMA to ensure adherence to principles of good governance

2. PORTFOLIO COMMITTEES

The CCMA appeared before the Portfolio Committee on Labour as follows during the following reporting periods:
- 19 March 2020 (to table the 2020/21 APP and Budget and 2020/21 – 2024/25 Strategy);
- 31 October 2019 (to table the 2019/20 first and second quarter performance report);
- 12 September 2019 (to table the 2018/19 Annual Report) and
- 07 May 2020 (to table the 2019/20 fourth quarter performance report).

3. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and Section 4.4 of the Framework of Strategic Plans and APPs, issued by the National Treasury, prescribe that the Accounting Authority is to submit Quarterly Performance Reports to the Executive Authority, within 30 days after the end of each quarter, with particular reference to monitoring delivery against quarterly performance targets.

During the 2019/20 financial year, the CCMA was fully compliant with the above-mentioned statutory reporting requirement. The CCMA's quarterly Integrated Performance and Compliance Reports, which outline the CCMA's performance against the 2019/20 APP, the CCMA's financial performance and position, as well as the state of the CCMA's governance environment, including compliance and risk management, were prepared and approved by the Governing Body and submitted to the Ministry of Employment and Labour as follows: 31 July 2019 (2019/20 first quarter reporting), 30 October 2019 (2019/20 second quarter reporting), 30 January 2020 (2019/20 third quarter reporting), and 30 April 2020 (2019/20 fourth quarter reporting).

4. THE ACCOUNTING AUTHORITY / BOARD

The Governing Body is established in terms of Section 116 of the LRA. The Governing Body of the CCMA comprises non-executive independent members appointed by the Minister of Employment and Labour, through the NEDLAC, for a period of three (3) years, effective from 01 November 2017. In terms of the PFMA, the Governing Body is the Accounting Authority of the CCMA with the primary responsibility of governing the CCMA.

The Governing Body has established Committees in terms of Section 121 (1) of the LRA to assist it to execute its mandate. The following are the established and functioning Governing Body Committees:
a) Accreditation and Subsidy Committee (ASC): Advises the Governing Body on and exercises oversight on the accreditation

and payment of subsidies to Bargaining Councils and Agencies, as provided for in Section 127 to 132 of the LRA.

b) **Audit and Risk Committee (ARC):** Assists the Governing Body by exercising oversight responsibility on the integrity of the CCMA's financial statements, the extent of compliance with legal and policy requirements, the system of internal control and risk management, the adequacy of the Internal Audit function and external auditors, the performance of management in terms of the strategic plans and APP, ICT and any other matters related to its mandate referred to it by the Governing Body.

c) **Governance, Social and Ethics Committee (GSEC):** Assists the Governing Body in discharging its responsibility of governance, transformation, organisational sustainability, ethics, stakeholder management and good corporate citizenship.

d) **Human Resources Committee (HRC):** Advises and exercises oversight responsibility over the human resources management function of the CCMA and makes recommendations to the Governing Body on the organisation's Human Resources Strategy and its implementation. The HRC also performs the functions of the Remuneration Committee for the CCMA.

e) **Procurement Committee (PC):** Considers and approves procurement for goods and services above the R3 million threshold.

The Governing Body and all Committees operated against approved Charters and Work Plans during the reporting period. Approved Corporate Governance Framework, Corporate Governance Maturity Roadmap and Code of Conduct for the Governing Body and its Committees supported the work of the governance structures. The Governing Body and its Committees attended training aimed at strengthening their oversight role and ability to discharge their duties effectively.

5. GOVERNING BODY

During the 2019/20 financial year, the Governing Body meetings were held as follows:

TABLE 18: NUMBER OF 2019/20 GOVERNING BODY MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	4
SPECIAL MEETINGS	3
TOTAL	**7**

TABLE 19: GOVERNING BODY MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Makhulu Ledwaba	Chairperson	01 May 2017	N/A	Post-Graduate Diploma in Industrial Relations. Post-Graduate Diploma in Strategic Management	Labour Relations	Ndalama	GSEC	7
Sifiso Lukhele	Member	01 November 2017	N/A	Bachelor of Arts in Law Bachelor of Laws	Employment Law; Human Resources; Employee Wellbeing and Negotiations	None	HRC and PC	7
Lucio Trentini	Member	01 November 2017	N/A	Bachelor of Arts in Economic History and Industrial Psychology. Post Graduate Diploma in Management	Labour Market; Collective Bargaining and Industrial Relations	Steel and Enginseering Industries Federation of Southern Africa (SEIFSA) and Metal Industries Benefit Funds Administrators (MIBFA).	ASC	6
Kaizer Moyane	Member	01 November 2017	N/A	Bachelor of Arts. Bachelor of Laws	Labour Relations; and Employment Law	Sygnia (Pty) Ltd and NEDLAC	GSEC and ARC	5

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Aggy Moiloa	Member	01 November 2017	N/A	Bachelor of Arts in Education. Bachelor of Arts with Honours in Applied Psychology. Master's in Public and Development Management National Diploma in Educational Psychology	Employment Law; Labour Law; Inspections and Enforcement	None	ARC	3
Virgil Seafield	Member	01 November 2017	N/A	Bachelor of Arts. Bachelor of Education. Masters in Business Administration	Labour Policy Development and Labour Relations	None	GSEC and PC	4
Ntsoaki Mamashela	Member	01 November 2017	N/A	Bachelor of Arts. Masters in Labour Law. Advanced Labour Law Programme. Executive Leadership Development Programme	Labour Relations, Employment Equity; Policy Development; Research and Legal Drafting.	None	ASC and HRC	6

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Narius Moloto	Member	01 November 2017	N/A	Labour Relations	Labour Market and Labour Relations	Building Industry Invest; The Amber Cascades Trading and Big Sky Trading 249.	ARC and ASC	5
Bheki Ntshalintshali	Member	01 November 2017	N/A	Labour Relations	Labour Relations	Employment Services Board; Naledi; and NEDLAC	HRC and PC	2
Geoffrey Esitang	Member	01 November 2017	N/A	Bachelor of Arts. Master of Laws. Doctors of Laws	Employee Relations; and Labour Relations	None	GSEC	2
Cameron Sello Morajane	Ex-officio Member	1 November 2017	N/A	Master of Law	Labour Relations	None	GSEC, ASC, ARC HRC and PC.	5

5.1. ARC

During the 2019/20 financial year the ARC meetings were held as follows:

TABLE 20: NUMBER OF 2019/20 ARC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	4
SPECIAL MEETINGS	5
TOTAL	**9**

TABLE 21: ARC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

AUDIT AND RISK COMMITTEE								
NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Velile Pangwa	Chairperson	01 April 2018	N/A	Bachelor of Commerce Honours in Accounting, CA: SA	Accounting and Auditing	ANF INC and CA (SA	None	9
Ramona Clark	Member	01 April 2018	N/A	Bachelor of Commerce - Honours in Accountancy, CA: SA, Registered Auditor.	Accounting; Auditing and Taxation	Clark and Associates	None	8
Charles Motau	Member	01 April 2018	N/A	Bachelor of Commerce degree Higher Diploma in Computer Auditing Certificate in Information Technology Projects Management Certificate in Executive Leadership Certificate in Human Resource Management Master in Business Leadership Master in Information Technology	Information, Communication and Technology	Motau Consulting Moshupi Tech Solutions	None	6

AUDIT AND RISK COMMITTEE								
NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Sandra Dimakatso Mahlalela	Member	01 August 2018	N/A	National Diploma: Internal Auditing B Tech Degree: Internal Auditing Advance Certificate: Risk Management Diploma Risk Management. Post Graduate Diploma in Business Management. Master's Degree in Business Administration	Risk Management	Dimakatso Business Solutions	None	4
Kaizer Moyane	Member	01 April 2018	N/A	Bachelor of Arts and Bachelor of Laws	Labour Relations and Employment Law	Sygnia (Pty) Ltd and NEDLAC	GSEC	8
Aggy Moiloa	Member	01 April 2018	N/A	Bachelor of Arts in Education; Bachelor of Arts with Honours in Applied Psychology Masters in Public and Development Management. National Diploma in Educational Psychology	Employment Law; Labour Law; Inspections and Enforcement	None	None	4

AUDIT AND RISK COMMITTEE								
NAME	**DESIGNATION**	**DATE APPOINTED**	**DATE RESIGNED/ END OF TERM**	**QUALIFICATIONS**	**AREA OF EXPERTISE**	**BOARD DIRECTORSHIPS**	**CCMA COMMITTEE MEMBERSHIP**	**NO. OF MEETINGS ATTENDED**
Narius Moloto	Member	01 April 2018	N/A	Labour Relations	Labour Market; and Labour Relations	Building Industry Invest; The Amber Cascades Trading; and Big Sky Trading 249	ASC	8
Cameron Sello Morajane	Ex--officio Member	01 April 2018	N/A	Master of Laws	Labour Relations	None	GSEC; ASC; ARC; HRC and PC	6

5.2. ASC

During the 2019/20 financial year the ASC meetings were held as follows:

TABLE 22: NUMBER OF 2019/20 ASC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	4
SPECIAL MEETINGS	0
TOTAL	**4**

The composition of the ASC and meeting attendance for the 2019/20 financial year is outlined by Table 23:

TABLE 23: ASC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Ntsoaki Mamashela	Chairperson	4
Lucio Trentini	Member	4
Narius Moloto	Member	4
Cameron Sello Morajane	Ex-officio Member	3

5.3. HRC

The composition of the HRC and meeting attendance for the 2019/20 financial year is outlined by Table 24

TABLE 24: HRC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Sifiso Lukhele	Chairperson	5
Ntsoaki Mamashela	Member	5
Bheki Ntshalintshali	Member	5
Cameron Sello Morajane	Ex-officio Member	3

During the 2019/20 financial year the HRC meetings were held as follows:

TABLE 25: NUMBER OF 2019/20 HRC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	5
SPECIAL MEETINGS	0
TOTAL	5

5.4. GSEC

During the 2019/20 financial year GSEC meetings were held as follows:

TABLE 26: NUMBER OF 2019/20 GSEC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	4
SPECIAL MEETINGS	1
TOTAL	5

The composition of the GSEC and meeting attendance for the 2019/20 financial year is outlined by Table 27:

TABLE 27: GSEC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Makhulu Ledwaba	Chairperson	4
Kaizer Moyane	Member	5
Geoffrey Esitang	Member	3
Virgil Seafield	Member	2
Cameron Sello Morajane	Ex-officio Member	4

5.5. PC

During the 2019/20 financial year the PC meetings were held as follows:

TABLE 28: NUMBER OF 2019/19 PC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	7
TOTAL	7

The composition of the PC and meeting attendance for the 2019/20 financial year is outlined by Table 29:

TABLE 29: PC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Bheki Ntshalintshali	Chairperson	7
Scott Mphuthi	Member	6
Sifiso Lukhele	Member	7
Virgil Seafield	Member	1
Cameron Sello Morajane	Ex-officio Member	6

6. REMUNERATION OF THE GOVERNING BODY AND COMMITTEE MEMBERS

TABLE 30: REMUNERATION OF THE GOVERNING BODY AND COMMITTEES MEMBERS FOR THE 2019/20 FINANCIAL YEAR

NAME	REMUNERATION	OTHER REIMBURSEMENTS	TOTAL
Makhulu Ledwaba	R273 759	R2 867	R276 625
Sifiso Lukhele	R291 758	R7 365	R299 123
Lucio Trentini	R109 170	0	R109 170
Kaizer Moyane	R137 626	R3 638	R141 264
Narius Moloto	R174 312	R4 292	R178 604
Bheki Ntshalintshali	R206 157	R6 208	R212 365
Geoffrey Esitang	R52 293	R2 635	R54 928
Ntsoaki Mamashela *	N/A	N/A	N/A
Aggy Moiloa *	N/A	N/A	N/A
Virgil Seafield *	N/A	N/A	N/A
Velile Pangwa	R122 700	R3 984	R126 684
Ramona Clark	R74 765	R7 631	R82 396
Charles Motau	R89 461	R3 657	R93 118
Sandra Dimakatso Mahlalela *	N/A	R6 314	R6 314

* Members are public officials appointed in terms of the Public Service Act and hence have not been remunerated for participating in meetings.

7. THE ESC COMMITTEE

During the 2019/20 financial year the ESC meetings were held as follows:

TABLE 31: 2019/20 ESC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
ORDINARY MEETINGS	20
SPECIAL MEETINGS	2
TOTAL	**22**

TABLE 32: ESC MEMBERSHIP FOR THE 2019/20 FINANCIAL YEAR

COMPOSITION OF THE ESC								
NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Adv. Luvuyo Bono	Chairperson	01 July 2018	N/A	B. Juris; LLB; LLM	Labour Law Corporate Governance	NEICT and ELRC	N/A	9
Ms. Joyce Nkopane	Deputy Chairperson – Senior CCMA Commissioner	01 July 2018	N/A	B. Proc LLB; Higher Diploma in Corporate Law	Labour Law	Mbileni Tohlang – Nkopane Inc.; Senior Commissioner of the CCMA	N/A	18
Dr. Annelie Gildenhuys	Business	01 July 2018	N/A	PhD. Industrial Sociology M.A. Industrial Sociology ; BA Hons Industrial Sociology BA	Accredited Commercial Mediator	N/A	Commissioner of the Employment Equity Commission	14
Ms. Aruna Ranchod	Business	01 July 2018	N/A	BA Law	Law and Labour Relations	N/A	N/A	9
Adv. Nomazotsho Memani	Local Government	01 July 2018	N/A	BA, LLB	Human Rights Law Labour law	N/A	N/A	13

COMPOSITION OF THE ESC								
NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Mr. Zwe Ndlala	Labour	01 July 2018	N/A	B Juris; LLB; and LLM Employment Law	Labour Law	Advocate of the High Court of South Africa; Company Secretary and Public Officer: (Financial Services Board)	SALGBC	14
Mr. Makhubalo Ndaba	Labour	01 July 2018	N/A	B Juris; LLB; and LLM Employment Law	Labour Law	Advocate of the High Court of South Africa; Company Secretary and Public Officer: (Financial Services Board)	POPCRU	14
Mr. Clement Marule	Labour	01 July 2018	N/A	Labour Law Certificate Negotiation Skills for the World of Work Post Graduate Diploma: Labour Law; Certificate: Labour Relations Management; Certificate: Human Resource Management	Collective Bargaining and Negotiations Dispute Management	N/A	Union Provincial Executive Committee and Central Executive Committee	8

Members of the ESC were remunerated as follows during the 2019/20 financial year:

TABLE 33: REMUNERATION OF THE ESC MEMBERS FOR THE 2019/20 FINANCIAL YEAR

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL NUMBER OF CASES AND MEETINGS	TOTAL REMUNERATION
Adv. Luvuyo Bono	R1 292 889	R18 000	R23 029.83	210	R 1 310 889
Ms. Joyce Nkopane	R827 557	R12 000	R9 392	152	R 848 949
Dr. Annelie Gildenhuys	R251 852	-	R1 731	36	R 253 565
Ms. Aruna Ranchod	R470 806	-	R19 697	85	R 490 503
Adv. Nomazotsho Memani	R390 088	-	R3 287.00	73	R 422 727
Mr. Zwe Ndlala	R340 618	-	R6 248	63	R 346 867
Mr. Makhubalo Ndaba	R329 611	-	R13 086	54	R 342 698
Mr. Clement Marule	R314 583	-	R1 654	67	R 358 398

8. RISK MANAGEMENT AND INTERNAL CONTROL

The CCMA has adopted Enterprise-Wide Risk Management (ERM) as an essential part of effective Corporate Governance and reviews its Risk Management and Implementation Plan on an annual basis. This incorporates continuous risk identification and assessment, internal control embedment as well as risk mitigation and insurance strategies.

During the period under review, the 2019/20 Risk Strategy and Implementation Plan was fully implemented: sixty (60) as planned, with seventy-five (75) activities conducted across the CCMA's business landscape registering a 61% Risk Profile achievement rate, with respect to mitigating 71 of the 117 risk action plans identified over the financial year, which is an improvement when compared to the previous financial year of 53%.

The 68% Risk Profile, previously reported during the 2018/19 financial year included both completed and partially completed risk action plans, this has since been restated resulting in the 2018/19 Risk Profile reducing to 53%. During the 2019/20 financial year Risk Profile methodology been updated to consider completed risk action plans while transferring partially completed risk action plans to the opportunities risk register.

Furthermore, each Department and Region developed and maintained their respective Operational Risk Registers, which outlined the identified operational risks and the accompanying response strategies to address the risks.

During the 2019/20 financial year, the CCMA was unable to repeat its 2018/19 performance of implementing 100% of the Business Continuity Management (BCM) Implementation Plan. This was mainly because the Risk Management Unit was unable to fill a vacancy on a 12-month contract. However, the CCMA did manage to review its Business Continuity Policy and Manual in 2019/20 in order to ensure the governance culture relating to BCM processes remains relevant for the financial year. A few weeks before the CCMA's financial year-end, the -country was disrupted by the COVID-19 pandemic and a state of national lockdown. The CCMA had to scale-down on its operations and physically close CCMA offices due to the pandemic, necessitating reliance being placed on the CCMA's revised BCM plans and strategies to continue business processes during the state of National Disaster. Although the CCMA did not have updated BCM procedures in place, the Organisation was able to respond positively through the implementation of the BCM Pandemic Plan and a COVID-19 response plan. The risks during this time were managed through rigorous risk assessments with real-time treatment plans and a COVID-19 Response Committee.

The ARC provides an oversight role over the CCMA's ERM Function through monitoring the effectiveness of the CCMA's risk management processes, with the ERM Function reporting quarterly to the ARC on all its activities and its functionality, including the risk maturity of the organisation. The ARC also exercised stringent oversight over the CCMA's ERM Risk Profile through the monitoring of the Risk Appetite and Tolerance levels set by the Governing Body during the 2019/20 financial year. This is to ensure the CCMA's ERM is within acceptable levels.

During the financial year, the Operational and Executive Risk Management Committees were operational as planned. The mandates of these Committees are to assist the ARC in discharging its oversight responsibility for the adequacy of the CCMA's ERM Function.

The National Treasury Financial Management Capability Maturity Model is used to assess the CCMA's risk management maturity level, monitoring progress in implementing enterprise-wide risk management within the organisation. For the 2019/20 financial year, the CCMA has achieved a five (5) risk maturity level rating, meaning that the CCMA has an optimised risk maturity level with a focus on embedding the risk culture across the organisation. The ERM's efforts, during 2019/20, have resulted in the mitigation of the CCMA's main inherent risks that the CCMA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels.

9. COMPLIANCE WITH LAWS AND REGULATIONS

The CCMA is committed to a philosophy of Integrated Compliance Risk Management, as a core managerial capability, which is aligned to the principles of the King IV Report, the standards set by the Compliance Institute of South Africa and the legislative requirements of the PFMA. As at the end of the 2019/20 financial year, the CCMA attained an optimum compliance maturity level of five (5). The Compliance Management Unit (CMF) is fully functional at, both identifying strategic and operational compliance gaps through its Compliance Policies, Frameworks, Manual and Implementation Plans having been developed, approved and implemented. Due to the enterprise-wide approach to CMF, Compliance Champions were appointed across all Departments and Regions to cascade down and integrate compliance principles at the business unit level.

The CCMA's 2019/20 Compliance Regulatory Universe had fifty-five (55) pieces of legislation that identified what the CCMA must comply with, with the application of the Risk Management Model statistically identifying the top nineteen (19) statutes. High-risk statutes were identified, monitored and evaluated more regularly, in order to minimise reputational damage, litigation, fines and penalties and loss of a clean audit. Stringent testing was conducted on the identified high-risk statutes through Compliance Risk Management Plans, with conformance testing conducted on compliance with policy and procedures. The ARC exercised stringent oversight over the CCMA's CMF during the 2019/20 financial year, to ensure its functionality and adequacy.

10. FRAUD AND CORRUPTION

The CCMA has adopted a zero tolerance approach to fraud and corruption. As part of achieving this, the CCMA has in place a Policy on Fraud Prevention and Anti-corruption, a Fraud Prevention and Anti-Corruption Strategy and Plan and a designated

Fraud Hotline. Furthermore, the CCMA has an established Complaints and Ethics Management function that is aligned with the Public Sector Integrity Framework, the King IV Report and the PFMA in place.

During the period under review, 93% of the 2019/20 Fraud Prevention and Anti-Corruption Strategy and Plan was implemented. National fraud awareness sessions and fraud risk assessments were conducted, and CCMA employees and members of governance structures were required to complete Declaration of Interest forms to ensure that there was no conflict of interest in their engagements with service providers registered on the National Treasury Central Supplier Database (CSD).

The CCMA utilised the Vuvuzela Hotline, an anonymous off-site whistleblowing tool, which provides the platform for whistle-blowers to report any suspected fraud and corruption by CCMA staff, CCMA suppliers or Commissioners and Members of the Governing Body. This Fraud Hotline is implemented in line with the Protected Disclosure Act 26 of 2000. Details for reporting suspected fraud and/or ethical infringements are as follows:

- Hotline Number: 0860 666 348
- Fax: 086 726 1681
- Email: ccma@thehotline.co.za
- Call back: 072 595 9135
- Postal address: P. O. Box 21091, Valhalha, 0137.

Over and above the Fraud Hotline, the CCMA has in place a complaints management function wherein users can lodge complaints against the conduct of CCMA employees and Commissioners and Members. The CCMA received four hundred and twenty-three (423) complaints during the 2019/20 financial year representing a two (2%) increase compared to the 2018/19 financial year, wherein four hundred and fourteen (414) complaints were received.

The Governing Body, through the ARC and the GSEC, exercised stringent oversight over the implementation of the 2019/20 Fraud Prevention and Anti-Corruption Strategy and Plan during the 2019/20 financial year.

11. GIFTS, DONATIONS AND SPONSORSHIP REGISTER

The CCMA's Policy on Gifts, Donations and Sponsorship provides direction on the granting and receipt of gifts, donations and sponsorships to and by the CCMA, its staff members, part-time Commissioners and Members of the Governance Structures.
All gifts declared were in line with the allowable amount as per the Policy on Gift, Donations and Sponsorship. Gifts, donations and sponsorships received and approved by the Governing Body were recorded and reported on a quarterly basis to the Governance Structures.

12. MINIMISING CONFLICT OF INTEREST

All Staff Members are required, on a yearly basis, to complete and submit the Declaration of Interest Forms. Staff Members who do not comply may be charged with misconduct according to the regulations. The CCMA utilised the Standard Bidding Documents (SBD) where prospective suppliers are required to declare any relation with the employees of the CCMA. The objective is for organisations to ensure that employees related to such companies do not partake in the bidding processes.

The CCMA has in place a Code of Conduct for SCM and in accordance with this Code of Conduct, SCM Practitioners, Bid Specification Committee (BSC) Members, Bid Evaluation Committee (BEC) Members, Bid Adjudication Committee (BAC) and

Procurement Committee (PC) Members, are obliged to maintain confidentiality of meeting deliberations. The Code of Conduct also obligates all involved in the SCM processes to act ethically at all times, and not be influenced or influence other Members in any way. All newly-appointed Bid Committee Members are trained in their roles and responsibilities in accordance with the National Treasury's Code of Conduct for Supply Chain Practitioners. At the commencement of each Bid Committee sitting, all Bid Committee Members and SCM Practitioners involved in the procurement process also complete and sign conflict of interest forms to declare any conflict of interest, so that potential conflict of interest can be avoided. Furthermore, before the evaluation and adjudication of bids, the Bid Committee Members and SCM Professionals are required to sign and submit a Declaration of Interest Form, which is evaluated to ensure that there is no conflict of interest. Action is taken should there be any conflict of interest identified.

13. CODE OF CONDUCT

The CCMA has a Code of Conduct for employees including Commissioners that serve as a guideline for acceptable standards of conduct expected from employees and Commissioners in line with the values of the CCMA. Furthermore, the Code regulates and nurtures good and ethical behaviour. The CCMA also has a Code of Conduct for Governing Body and Committee members aimed at promoting ethical leadership as envisioned by the King IV Report on Corporate Governance.

14. HEALTH SAFETY AND ENVIRONMENTAL ISSUES (OHS)

Occupational Health and Safety (OHS) is, and remains, a priority for the organisation. The CCMA ensures continuous monitoring and implementation of strategies to eliminate recognised hazards by creating awareness and educating employees about OHS issues. This in turn provides assurance to employees, Users and visitors that CCMA offices are safe, with risk of injury minimised. Given the character of the CCMA and the services it provides the importance of compliance with OHS regulations cannot be overemphasised. The CCMA has made statutory appointments to assist in ensuring the safety of employees. OHS Committees are in place, both at the National Office and at Regional level. Training sessions are conducted on a regular basis to ensure that Committee Members are abreast with legislation and their roles and responsibilities as statutory OHS Officers. The CCMA has also introduced OHS e-Learning which is a self-paced learning environment and provides useful information at times that suits the staff member.

During the procurement of new office facilities, compliance with OHS regulations is insisted upon. Regular inspections, assessments and maintenance are conducted to ensure the sustenance of a safe and healthy environment.

15. COMPANY/BOARD SECRETARY

The Board Secretary Function is performed by the Governance and Secretariat Services (GSS) Function of the CCMA, headed by GSS Manager: Ms. Keitumetse Zulu. The GSS Function is mandated amongst others, to provide governance advisory and secretariat services to the CCMA Governance and Management Structures. The GSS Function is also required to ensure the functionality of the Governance and Management structures of the CCMA to mitigate governance failures, to improve organisational and governance processes as well as to assist the organisation strive for maximum compliance to legislation, policy and best practice.

16. SOCIAL RESPONSIBILITY

During the 2019/20 financial year, the CCMA participated in the following CSR initiatives:
a) Cell C Take a Girl Child to Work;
b) 2019 International Mandela Day;
c) CCMA Nelson Mandela Legacy Programme; and
d) CCMA Tracker Tomorrow's Man Programme.

Cell C Take a Girl Child to Work:
The CCMA participated in the Annual Cell C Take a Girl Child to Work Programme wherein the CCMA National Office and all Regional Offices hosted Grade 10 to 12 girl learners from previously disadvantaged schools for career development purposes. The initiative provided the CCMA an opportunity to empower and develop the learners by exposing them to the world of work, giving them career advice including that related to the role of a CCMA Commissioner and motivating them to thrive in their studies and life in general, regardless of their backgrounds or social status.

2019 International Mandela Day:
In celebrating the former South African President Nelson Rolihlahla Mandela's life and legacy, the CCMA joined the global movement to honour his life's work and to contribute towards changing the world for the better. In embodying social justice, the spirit of Ubuntu and making a difference; CCMA employees across various Regions volunteered their time, skills and financial resources to deliver food and sanitary products to a number of charity organisations across the country in line with the 2019 theme of #ActionAgainstPoverty.

CCMA Nelson Mandela Legacy Programme:
The Nelson Mandela Legacy Programme is the CCMA's official Corporate Social Responsibility (CSR) Programme through which the CCMA aims to contribute towards community and other societal development initiatives. For the 2019/20 financial year, the CCMA pledged a total of R35 750 through contributions made by the Governing Body members, members of the CCMA Management, Commissioners and support staff. The collected pledges were presented to Baby Lovers' Blessings, a Non- Profit Organisation (NPO) based in Port Elizabeth that assists less fortunate mothers and babies by blessing them with basic goods often needed by newborn babies.

CCMA Tracker Tomorrow's Man Programme:
As part of contributing to the South African youth development initiatives and by fostering a caring, non-violent society, the CCMA through all its regional offices hosted male learners from previously disadvantaged schools in this year's Tomorrow's Man Programme - an initiative run with Tracker. The purpose of the initiative was to expose the male teenagers to positive role models, to offer them career guidance and to empower them by exposing them to the world of work with the hope that they would be inspired to become better men in society.

17. INTERNAL AUDIT (IA)

Internal Audit's review of control, risk management and governance processes followed a risk-based approach in line with the plan approved by the Audit and Risk Committee. The implementation of identified corrective action plans was monitored by the Management and Audit and Risk Committee on a monthly and quarterly basis in order to improve the control environment of the organisation and to reduce risks to an acceptable level.

The Internal Audit Department facilitated the combined assurance model. The model optimised the assurance coverage obtained from assurance providers in managing risk areas affecting the organisation. There are a number of assurance providers within the CCMA that, either directly or indirectly, provide a certain level of assurance over management of key risk exposures identified during the risk assessment process.

18. AUDIT COMMITTEE RESPONSIBILITY

ARC'S REPORT FOR THE 2019/20 FINANCIAL YEAR

We are pleased to present our report for the financial year ended 31 March 2020.

ARC RESPONSIBILITIES

The ARC is comprised of representatives of seven (7) members; three (3) GB members and four (4) independent members. The ARC is governed by an approved ARC Charter and its activities are guided by an approved workplan, which regulates the affairs of the ARC, also outlining its roles and responsibilities, which are in line with Section 55(1)(a) of the PFMA and Treasury Regulation 27. Accordingly, the ARC executed all its planned activities for the 2019/20 financial year.
During the year under review, nine (9) ARC meetings (ordinary and special) were convened.

THE EFFECTIVENESS OF INTERNAL CONTROLS

Corrective action plans were identified, implemented and monitored in order to reduce the impact of internal control weaknesses. Based on the information and explanations given by Management, and considering the internal and external auditor's inputs, the ARC is of the opinion that, the CCMA's framework of governance, risk management and Internal Control, provide reasonable assurance that the organisation's strategy and objectives will be achieved.

ACTION PLANS

The ARC continued to monitor implementation of management corrective action plans on previously raised audit findings. This process contributed to an improved control environment within the organisation. It is confirmed that out 17 external audit findings raised during 2018/19 financial year, 2 were still being implemented by Management as at 31 March 2020 as confirmed by Internal and External Auditors.

EVALUATION OF FINANCIAL STATEMENTS

Management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. The ARC oversees the CCMA's financial reporting on behalf of the Governing Body.

In fulfilling this oversight responsibility, the ARC reviewed, assessed and discussed the AFS information included in this Annual Report. This oversight exercise also included a discussion on the quality of the accounting principles, policies, and the clarity of disclosures and the fairness of significant judgements.

OTHER OVERSIGHT ACTIVITIES

The ARC discharged its oversight responsibility with respect to compliance with applicable legislative prescripts, policies and best practice, risk management and performance information, including the Annual Performance Report for the year ended March 2020. The ARC furthermore reviewed and monitored the work of the ICT Steering Committee consisting of Chairperson Independent Member / Member of the Audit & Risk Committee, Executive Committee Members and Internal Assurance Providers.

EXTERNAL AUDIT

The ARC concurs with and accepts the AGSA's conclusions on the performance information and AFS for the 2019/20 financial year and is of the opinion that the performance information and AFS be accepted and read together with the report of the AGSA.

VELILE PANGWA (CA) SA
CHAIRPERSON OF THE ARC

TABLE 34: : B-BBEE COMPLIANCE PERFORMANCE INFORMATION

THE PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	**RESPONSE YES / NO**	**DISCUSSION**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not in the current financial year
Developing and implementing a preferential procurement policy	No	CCMA has adopted and is implementing the preferential procurement policy as issued by National Treasury through its Supply Chain Management policy.
Determining qualification criteria for the sale of state-owned enterprises	No	Not in the current financial year
Developing criteria for entering into partnerships with the private sector	No	Not in the current financial year
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	Not in the current financial year

PART D
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

During the year under review the focus was to ensure the provision of human capital needed to enable the organisation to fulfil its statutory and discretionary mandates. The CCMA's Human Resources Department has taken a deliberate view of adopting the following four pillars i.e. Capacity, Capability, Commitment and Compliance to ensure that organisational aspirations are met with an ongoing commitment to the attraction, development and retention of talent.

1.1. PERFORMANCE, KEY ACHIEVEMENTS AND STRATEGIC INITIATIVES FOR THE 2019/20 FINANCIAL YEAR

The role of the Human Resources Department is to assist in the shaping of the organisational culture. The overall Human Capital Strategy of the CCMA is aimed at ensuring a positive, supportive, healthy and friendly working environment that also embraces and nurtures employee diversity. It also encourages an environment where employees can achieve their full potential, through development opportunities and challenging projects, with the assurance of being recognised and rewarded for excellence in performance. This approach requires partnership with business as part of the Human Resources value chain.

The Human Resources Department continued to facilitate a working environment that enhances the organisation's focus on core business. The total number of staff increased slightly from 948 in the 2018/19 financial year to 982 in the 2019/20 financial year and this was achieved through the department's prioritisation of the filling of vacancies via internal staff applicants and external applicants. Recruitment initiatives were implemented as soon as vacancies arose in order to ensure optimal capacitation for the operations of the organisation to run uninterrupted. Whilst retaining staff was also a priority the sustenance of key scarce skills was equally an organisational priority as the loss of such would be purely negligible.

During the 2019/20 financial year, the Human Resources Department additionally focused on Commissioner Recruitment, the Regional Reconfiguration Process and the De-categorisation of Commissioners (moving from having three (3) levels of Commissioners to two (2) levels namely, Commissioner and Senior Commissioner). The Commissioner Recruitment process ensured that where required, Commissioner Renewals were effected timeously and also that, following an extensive and robust recruitment process, a group of Candidate Commissioners commenced their training period on 01 February 2020. This process is essential to ensure there is sufficient capacity to manage the increasing CCMA case load which is resultant from the changes to the legislation that broadened the scope of the CCMA's legislative and social mandate.

Once the requisite approvals were received for the Reconfiguration of the Regions Process, a detailed project plan was developed and effected. With this Regional Reconfiguration process came the need to also re-design the former regional leadership structure by introducing Provincial Senior Commissioners and Regional Senior Commissioners. The impacted employees were consulted prior to the inception of the process which then gave credence to the CCMA, through the Human Resources Department and National Senior Commissioner (NSC): Dispute Resolution, to proceed. The process, as of the end of 2019/20, is close to finalisation. Following the decision of the Governing Body to have only two (2) levels of Commissioners, in line with S117(2)(a)(ii) of the LRA and thereby to collapse the existing two (2) non-Senior Commissioner levels (Level A and Level B Commissioners) into one (1) level, i.e. the de-categorisation of Commissioners and this decision was communicated to Management and staff. Other than those appointed at Senior Commissioner level, the move towards a single level of Commissioners was effected on 01 September 2019. Although all non-Senior Commissioners are all categorised in a single job grade there is a differentiation in their remuneration packages based on the set criteria linked to tenure, performance and the completion of identified training electives. This project has been completed and successfully embedded in the CCMA structure.

1.2. KEY 2020/21 STRATEGIC ACTIVITIES AND PROJECTS TO BE PURSUED

The Human Resources Department will continue to guide the CCMA leadership to invest in its talent through the overarching Talent Management programme as well as the robust performance management at all levels of the organisation.

Although there have been some delays in the implementation of technology-driven business solutions to enhance speed and quality of the delivery of processes this will be a continued focus in collaboration with the ICT Department.

2. HUMAN RESOURCE MANAGEMENT OVERSIGHT STATISTICS

Efficient capacitation of the CCMA offices in the 12 Regions across the country was maintained during the period under review. Below are the human resource management oversight statistics for the 2019/20 financial year. Table 35 shows the CCMA core personnel. The staff demographics of the CCMA as at the end of the reporting period is shown in Table 36. The Core Personnel of the CCMA, as shown in Table 35, accounts for 69% of the staff complement to ensure that the CCMA is capacitated to deliver on its mandate.

TABLE 35: CCMA CORE PERSONNEL

OCCUPATIONAL LEVEL	JOB GRADE	FEMALE						MALE						GRAND TOTAL
		A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
TOP MANAGEMENT	P01 and P02	3	0	0	0	0	3	3	0	1	1	0	5	**8**
SENIOR MANAGEMENT	P03	0	0	0	0	0	0	5	2	0	0	0	7	**7**
PROFESSIONAL QUALIFIED	P04 P05 and P06	70	12	9	11	1	103	90	12	1	8	4	115	**218**
SKILLED TECHNICAL	P07 P08 P09 P10 P11 and P12	345	33	5	13	1	397	268	14	1	1	4	287	**684**
SEMI-SKILLED	P13 and P14	25	6	0	0	0	31	19	1	0	0	0	20	**51**
UNSKILLED	P17	9	0	0	0	1	10	4	0	0	0	0	4	**14**
TOTAL PERMANENT		**452**	**51**	**14**	**24**	**3**	**544**	**389**	**29**	**3**	**10**	**8**	**438**	**982**
TEMPORARY EMPLOYEES		**8**	**1**	**1**	**1**	**0**	**11**	**5**	**1**	**0**	**0**	**0**	**6**	**17**
GRAND TOTAL		**460**	**52**	**15**	**25**	**3**	**555**	**394**	**30**	**3**	**10**	**8**	**444**	**999**

TABLE 36: CCMA STAFF DEMOGRAPHICS AS AT 31 MARCH 2020

DESIGNATION	FEMALE				FOREIGN NATIONAL	SUB TOTAL	MALE				FOREIGN NATIONAL	SUB TOTAL	GRAND TOTAL
	A	C	I	W			A	C	I	W			
CASE MANAGEMENT OFFICERS	137	15	3	6	0	163	53	6	0	0	0	64	227
COMMISSIONERS	39	7	4	6	1	62	70	12	1	7	0	106	**168**
INTERPRETERS	127	3	0	0	0	130	152	2	0	0	0	154	**284**
TOTAL PERMANENT	**303**	**25**	**8**	**12**	**1**	**355**	**275**	**20**	**1**	**7**	**0**	**324**	**679**

The CCMA has a healthy workforce profile. The concentration of employees between the ages of 36 to 55 presents significant combined experience. In order to mitigate against the effects typically associated with an aging workforce, pipeline talent development is focused on the age groups 20 to 45. Figure 11 depicts the CCMA's workforce age profile. The gender and race workforce profile is depicted in Table 37. Personnel cost by Department and Region is depicted in Table 38.

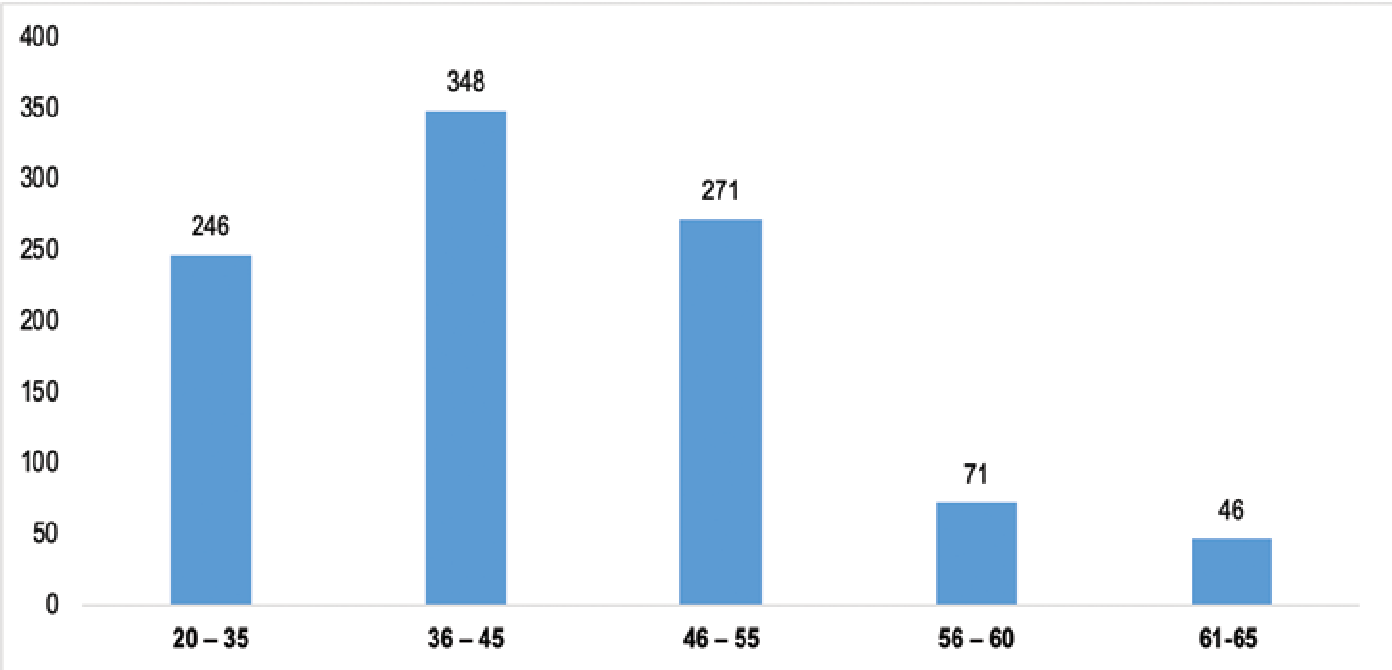


FIGURE 11: WORKFORCE AGE PROFILE

The gender and race workforce profile for the 2019/20 financial year is tabulated below:

TABLE 37: GENDER AND RACE WORKFORCE PROFILE

AGE GROUP	FEMALE						MALE						GRAND TOTAL
	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
20 - 35	120	9	1	1	1	132	105	5	1	2	1	114	246
36 - 45	180	21	5	9	2	217	120	4	1	2	4	131	**348**
46 - 55	113	16	5	8	0	142	106	16	1	3	3	129	**271**
56 - 60	21	2	2	3	0	28	39	2	0	2	0	43	**71**
61- 65	18	3	1	3	0	25	18	2	0	1	0	21	**46**
Total	**452**	**51**	**14**	**24**	**3**	**544**	**388**	**29**	**3**	**10**	**8**	**438**	**982**

3. PERSONNEL COST BY DEPARTMENT

The personnel cost per Department for the 2019/20 financial year is tabulated below:

TABLE 38: PERSONNEL COST PER DEPARTMENT

DEPARTMENT/ REGION	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE** (R'000)	NO. OF EMPLOYEES*	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
REGIONS	721 838	375 623	851	52%	441
OFFICE OF DIRECTOR	8 119	6 292	6	77%	1 049
LEGAL SERVICES	9 399	6 759	10	72%	676
COLLECTIVE BARGAINING AND OUTREACH	25 504	10 490	14	41%	749
INFORMATION MANAGEMENT	54 972	17 822	23	32%	775
DISPUTE RESOLUTION	50 787	28 302	51	56%	555
CORPORATE SERVICES	48 064	21 472	61	45%	352

DEPARTMENT/ REGION	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE** (R'000)	NO. OF EMPLOYEES*	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
FINANCE	81 348	44 560	41	55%	1 087
INTERNAL AUDIT	11 092	10 098	12	91%	842
GOVERNANCE AND STRATEGY	42 294	25 251	41	60%	616
TOTAL	**1 053 417**	**546 669**	**1110**		

4. PERSONNEL COST BY SALARY BAND

The personnel cost per salary band for the 2019/20 financial year is tabulated below:

TABLE 39: PERSONNEL COST BY SALARY BAND

OCCUPATIONAL LEVEL	PERSONNEL EXPENDITURE (R '000)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R '000)
TOP MANAGEMENT	23 400	4%	10	2 340
SENIOR MANAGEMENT	16 991	3%	11	1 545
PROFESSIONAL QUALIFIED	194 750	36%	245	795
SKILLED	295 993	54%	747	396
SEMI-SKILLED	12 274	2%	64	192
UNSKILLED	3 261	1%	33	99
TOTAL	**546 669**	**100%**	**1110**	**492**

5. PERFORMANCE REWARDS

The performance rewards issued during the 2019/20 financial year are tabulated below:

TABLE 40: PERFORMANCE REWARDS FOR THE 2019/20 FINANCIAL YEAR***

Occupational Level	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	PERCENTAGE OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
TOP MANAGEMENT	4 686	23 400	20%
SENIOR MANAGEMENT	2 958	16 991	17%
PROFESSIONAL QUALIFIED	12 378	194 750	6%
SKILLED	9 231	295 993	3%
SEMI-SKILLED	295	12 274	2%
UNSKILLED	52	3 261	2%
TOTAL	**29 600**	**546 669**	

*** The performance rewards and expenditure in Table 40 above takes into account all employees paid during the period under review. This includes terminated employees who were paid prior to termination.

6. TRAINING COSTS

The overall training costs of the CCMA for the 2019/20 financial year is tabulated by Table 41 below:

TABLE 41: TRAINING COSTS FOR THE 2019/20 FINANCIAL YEAR

PROGRAMME	PERSONNEL EXPENDITURE (R'000	TRAINING EXPENDITURE* (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED**	AVERAGE TRAINING COST PER EMPLOYEE (R'000)
INSTITUTIONAL DEVELOPMENT	546 669	15 650	3%	1870	8

*Amount includes training fees, travel and catering costs.
**The number represents the total number of interventions attended by employees, meaning that an employee will be counted twice or more, depending on the number of training interventions that they have attended.

7. EMPLOYMENT AND VACANCIES

The vacancy rate is constantly monitored with funded positions being advertised as soon as they become vacant. Rigorous talent attraction processes have been implemented, such as stringent background and criminal checks as well as subjecting candidates who have applied for senior positions to psychometric testing and preliminary interviews, where necessary. A key component of the Talent Management process is the encouragement of upward movement. Positions that are filled by internal candidates leave other positions vacant and thereby increase the vacancy rate.

Over and above monitoring the vacancy rate, vacancies at Top and Senior Management level receive special attention, taking into account succession plans as defined. At this level, where recruitment and strengthening the leadership bench, it typically takes slightly longer and a resource is placed in the position in an acting capacity. No position at this senior level has been vacant without an acting appointment for more than 30 days. Constant review of the organisation's remuneration framework and benchmarking against the market are among measures implemented to ensure attraction and retention of top talent. Table 42 outlines employment and vacancies as at 31 March 2020.

TABLE 42: EMPLOYMENT AND VACANCIES AS AT 31 MARCH 2020

CATEGORY	2018/2019 NO. OF EMPLOYEES	2018/2019 APPROVED POSTS	2019/20 NO. OF EMPLOYEES	2019/20 VACANCIES	% OF VACANCIES
TOP MANAGEMENT	7	3	8	0	0%
SENIOR MANAGEMENT	11	1	7	3	4%
PROFESSIONAL QUALIFIED	118	19	218	25	39%
SKILLED	749	57	684	34	53%
SEMI-SKILLED	48	5	51	1	2%
UNSKILLED	15	0	14	1	2%
TOTAL	**948**	**85**	**982**	**64**	**100%**

8. EMPLOYMENT CHANGES

The employment changes that occurred at the CCMA during the period under review are noted in Table 43. The significant number of promotions from the skilled to professionally qualified level is mainly as a result of the de-categorisation and subsequent re-categorisation of the job level of the Commissioners.

TABLE 43: EMPLOYMENT CHANGES AS AT THE END OF THE 2019/20 FINANCIAL YEAR

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS EXTERNAL	NET INTERNAL APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
TOP MANAGEMENT	7	0	2	1	8
SENIOR MANAGEMENT	11	0	-2	2	7
PROFESSIONAL QUALIFIED	118	24	92	16	218
SKILLED	749	49	-86	28	684
SEMI-SKILLED	48	13	-7	3	51
UNSKILLED	15	0	-1	0	14
TOTAL	**948**	**86**	**-2**	**50**	**982**

9. REASONS FOR STAFF LEAVING

CCMA's overall staff turnover was approximately five percent (5%) for the period under review, with approximately three percent (3%) of the terminations as a result of resignations. This represents an overall decrease in the turnover rate of approximately one percent (1%) when compared with the previous financial year. The number of resignations includes eight (8) Commissioner conversions from full-time to part-time. When a conversion is approved the Commissioner resigns from his or her full-time role but continues to render his/her services to the CCMA on a part-time basis.

Exit interviews were conducted wherever possible and reasons given for resignations, other than conversions, were related to career growth and family reasons. Termination reasons were provided to relevant line departments for the improvement of operational reporting relations between staff and their reporting lines. Attrition in the market is reported at between five percent (5%) to 10%, and the CCMA thus falls at the bottom end of the range. The Table 44 below documents the main reasons for staff leaving the CCMA:

TABLE 44: REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
DEATH	5	0.51%
RESIGNATION	35	3.56%
DISMISSAL FOR MISCONDUCT	4	0.41%
RETIREMENT	4	0.41%
ILL-HEALTH	-	-
EXPIRY OF CONTRACT	1	0.10%
INCAPACITY DUE TO ILL-HEALTH	1	0.10%
TOTAL	**50**	**5.09%**

10. LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Employee relations is a process that ensures that there is a sound employment relationship between the employer and employee. It ensures fairness in respect of consequence management and the handling of employee grievances. In order to resolve issues as fairly and as quickly as possible the CCMA has policies in place, a Code of Conduct, a Grievance Procedure as well as a Disciplinary Procedure. Table 45 depicts consequence management statistics.

TABLE 45: CONSEQUENCE MANAGEMENT STATISTICS

NATURE OF DISCIPLINARY ACTION	NUMBER
VERBAL WARNING	13
WRITTEN WARNING	32
FINAL WRITTEN WARNING	38
SUSPENSIONS	7
DEMOTIONS	1
TERMINATIONS	
RESIGNATIONS*	4
DISMISSAL	4
TOTAL	**99**

*These are resignations where the employee resigned in order to avoid disciplinary action

11. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Equal employment opportunities are provided to all employees and job applicants and the CCMA endorses the key principles of the EEA, namely elimination of discrimination in decision-making, promotion of employee diversity, reduction of barriers to advancement of the disadvantaged and introduction of measures and procedures for transformation.

The CCMA National Employment Equity Consultative Forum (NEECF) is in place and is operational as required by legislation. The forum plays a key role in various initiatives related to employment equity and is very instrumental in the implementation of measures of reasonable accommodation for employees with disabilities.

The current CCMA Employment Equity Plan covers the period 01 April 2018 to 31 March 2021. The plan is continuously monitored by the NEECF and Management and is displayed in all CCMA Offices. The annual Employment Equity Report was submitted to the Department of Employment and Labour as required by the EEA.

Table 46 depicts the equity target and employment equity status of male employees by occupational category. Table 47 on the other hand, depicts the equity target and employment equity status of female employees by occupational category. Table 48 shows information of persons with disabilities.

TABLE 46: EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS OF MALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL CATEGORY	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
TOP MANAGEMENT	3	4	0	0	1	1	1	0
SENIOR MANAGEMENT	5	5	2	2	0	0	0	1
PROFESSIONAL QUALIFIED	94	48	12	6	1	2	8	7
SKILLED	271	293	14	28	1	6	1	14
SEMI-SKILLED	19	15	1	2	0	1	0	2
UNSKILLED	4	5	0	1	0	0	0	1
TOTAL	**396**	**370**	**29**	**39**	**3**	**10**	**10**	**25**

TABLE 47: EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS OF FEMALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL CATEGORY	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
TOP MANAGEMENT	3	4	0	0	0	0	0	0
SENIOR MANAGEMENT	0	4	0	1	0	0	0	1
PROFESSIONAL QUALIFIED	71	34	12	10	9	7	11	7
SKILLED	346	360	33	32	5	7	13	21
SEMI-SKILLED	25	17	6	4	0	0	0	2
UNSKILLED	10	7	0	1	0	0	0	1
TOTAL	**455**	**426**	**51**	**48**	**14**	**14**	**24**	**32**

TABLE 48: STAFF WITH DISABILITIES

OCCUPATIONAL CATEGORY	STAFF WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
TOP MANAGEMENT	0	0	0	0
SENIOR MANAGEMENT	1	1	0	1
PROFESSIONAL QUALIFIED	1	2	3	0
SKILLED	6	8	6	9
SEMI-SKILLED	1	2	1	1
UNSKILLED	0	1	0	0
TOTAL	**11**	**12**	**10**	**11**

PART E
FINANCIAL INFORMATION

GOVERNING BODY'S RESPONSIBILITIES AND APPROVAL

The Governing Body is required by the Public Finance Management Act (Act No. 1 of 1999),(PFMA) 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 financial position of the entity as at the end of 31 March 2020, the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

The 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 deficit.

The Governing Body has reviewed the entity's cash flow forecast for the period ending to 31 March 2021 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 government grant for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Employment & Labour has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board of members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 93.

The annual financial statements set out on page 97, which have been prepared on the going concern basis, were approved by the Governing Body on 30 September 2020 and were signed on its behalf by:

MR. MAKHULU LEDWABA
CHAIRPERSON

MR. CAMERON SELLO MORAJANE
DIRECTOR

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Commission for Conciliation, Mediation and Arbitration (CCMA), set out on pages 97 to 150, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the CCMA as at 31 March 2020, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (Standards of Grap) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the public entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants and parts* 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes..

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2020.

EVENTS AFTER THE REPORTING DATE: IMPACT OF COVID-19 PANDEMIC

8. I draw attention to note 36 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on the public entity's future prospects, performance and cash flows.

RESPONSIBILITIES OF ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Grap and the requirements of the 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.

10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12.A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

13.In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

14.My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15.I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the public entity for the year ended 31 March 2020:

Objective	Pages in the annual performance report
Strategic objective 4 – Optimising the Organisation	46 - 49

16.I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17.I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- Strategic objective 4: optimising the organisation.

OTHER MATTER

18.I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

19.Refer to the annual performance report on pages 40 to 49 for information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a significant number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

21.The material findings on compliance with specific matters in key legislation are as follows:

EXPENDITURE MANAGEMENT

22.Effective and appropriate steps were not taken to prevent irregular expenditure of R11 336 288 as disclosed in note 32 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by services that were procured without prior approval for contract variation and deviation.

OTHER INFORMATION

23.The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

24.My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon..

25.In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26.If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

27.I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

28.Preventative controls put in place to prevent irregular expenditure were not effective as irregular expenditure that occurred in the current year was as a result of similar root causes, which include not obtaining prior approval for contract variation and deviation processes not being complied with prior to expenditure being incurred.

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor-General

Pretoria
30 September 2020

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

2. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

3. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	3	1 858 148	2 085 869
Receivables from exchange transactions	4	1 375 551	627 375
Prepayments	5	1 442 763	430 919
Cash and cash equivalents	6	96 657 241	180 288 725
		101 333 703	**183 432 888**
Non-Current Assets			
Property, plant and equipment	7	30 874 168	26 929 277
Intangible assets	8	16 990 593	12 510 774
		47 864 761	**39 440 051**
Total Assets		**149 198 464**	**222 872 939**
Liabilities			
Current Liabilities			
Finance lease liability	9	412 013	3 493 883
Operating lease liability	10	2 272 833	20 618 002
Payables from exchange transactions	11	74 486 998	80 196 029
Provisions	12	20 822 291	32 421 281
		97 994 135	**136 729 195**
Non-Current Liabilities			
Finance lease liability	9	70 444	125 640
Operating lease liability	10	18 863 341	-
		18 933 785	**125 640**
Total Liabilities		**116 927 920**	**136 854 835**
Net Assets		**32 270 544**	**86 018 104**
Accumulated surplus		32 270 544	86 018 104

* See Notes 33 and 35

Statement of Financial Performance for the year ended 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Rendering of services	13	6 456 280	5 553 738
Interest received on investments	14	13 420 215	14 762 254
Other income	17	1 060 897	291 245
Total revenue from exchange transactions		**20 937 392**	**20 607 237**
Revenue from non-exchange transactions			
Transfer revenue			
Government grant and subsidies	15	978 730 742	965 905 171
Total revenue	16	**999 668 134**	**986 512 408**
Expenditure			
Employee related costs	18	(546 669 087)	(521 670 993)
Administration expenses	19	(162 714 274)	(138 199 492)
Depreciation and amortisation	20	(29 952 783)	(30 975 147)
Finance costs	21	(305 811)	(680 212)
Bargaining councils subsidies	22	(5 846 443)	(5 610 160)
Loss on foreign exchange		(1 350 584)	(844 354)
Loss on disposal of assets		(181 692)	(80 770)
Operating expenses	23	(306 395 020)	(282 466 159)
Total expenditure		**(1 053 415 694)**	**(980 527 287)**
(Deficit) surplus for the year - Refer to note 37		**(53 747 560)**	**5 985 121**

* See Notes 33 and 35

Statement of Changes in Net Assets for the year ended 31 March 2020

Figures in Rand	Accumulated surplus	Total net assets
Opening balance (restated)	80 198 499	80 198 499
Adjustments		
Prior year adjustments (Note 35)	(165 516)	(165 516)
Balance at 01 April 2018 as restated*	**80 032 983**	**80 032 983**
Changes in net assets		
Surplus for the year	5 985 121	5 985 121
Total changes	5 985 121	5 985 121
Balance at 01 April 2019 as restated*	**86 018 104**	**86 018 104**
Changes in net assets		
Deficit for the year	(53 747 560)	(53 747 560)
Total changes	(53 747 560)	(53 747 560)
Balance at 31 March 2020	**32 270 544**	**32 270 544**

* See Notes 33 and 35

Cash Flow Statement for the year ended 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Rendering of services		5 708 104	9 784 018
Government grant and subsidies		978 730 742	965 905 171
Interest received on investments		13 420 215	14 762 254
Other income		1 060 897	291 245
		998 919 958	**990 742 688**
Payments			
Employee related costs		(554 211 751)	(508 011 057)
Suppliers		(486 855 801)	(420 228 476)
Finance costs		(305 811)	(680 212)
		(1 041 373 363)	**(928 919 745)**
Net cash flows from operating activities	24	**(42 453 405)**	**61 822 943**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(18 487 469)	(8 143 699)
Purchase of intangible assets	8	(20 071 716)	(12 799 288)
Net cash flows from investing activities		**(38 559 185)**	**(20 942 987)**
Cash flows from financing activities			
Repayment of finance lease		(3 137 066)	(3 712 421)
Operating lease		518 172	1 959 508
Net cash flows from financing activities		**(2 618 894)**	**(1 752 913)**
Net increase/(decrease) in cash and cash equivalents		**(83 631 484)**	**39 127 043**
Cash and cash equivalents at the beginning of the period		180 288 725	141 161 682
Cash and cash equivalents at the end of the year	6	**96 657 241**	**180 288 725**

* See Notes 33 and 35

Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2020

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	14 637 000	-	**14 637 000**	6 456 280	**(8 180 720)**	37
Other income	-	-	-	1 060 897	**1 060 897**	37
Interest received on investments	11 729 000	-	**11 729 000**	13 420 215	**1 691 215**	37
Total revenue from exchange transactions	**26 366 000**	**-**	**26 366 000**	**20 937 392**	**(5 428 608)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grant and subsidies	976 810 000	-	**976 810 000**	978 730 742	**1 920 742**	37
Total revenue	**1 003 176 000**	**-**	**1 003 176 000**	**999 668 134**	**(3 507 866)**	
Expenditure						
Employee related costs	(570 417 570)	13 349 031	**(557 068 539)**	(546 669 087)	**10 399 452**	37
Administration expenses	(164 852 289)	(6 456 672)	**(171 308 961)**	(162 714 274)	**8 594 687**	37
Depreciation and amortisation	(5 000 000)	(15 000 000)	**(20 000 000)**	(29 952 783)	**(9 952 783)**	37
Finance costs	(334 224)	234 076	**(100 148)**	(305 811)	**(205 663)**	37
Bargaining councils subsidies	(5 520 000)	(143 739)	**(5 663 739)**	(5 846 443)	**(182 704)**	37
Operating expenses	(257 051 917)	(49 876 320)	**(306 928 237)**	(306 395 020)	**533 217**	37
Total expenditure	**(1 003 176 000)**	**(57 893 624)**	**(1 061 069 624)**	**(1 051 883 418)**	**9 186 206**	
Surplus rolled over	**-**	**(57 893 624)**	**(57 893 624)**	**(52 215 284)**	**5 678 340**	
Loss on foreign exchange	-	-	-	(1 350 584)	**(1 350 584)**	37
Loss on disposal of assets	-	-	-	(181 692)	**(181 692)**	37
	-	**-**	**-**	**(1 532 276)**	**(1 532 276)**	
Surplus	**-**	**(57 893 624)**	**(57 893 624)**	**(53 747 560)**	**4 146 064**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**-**	**(57 893 624)**	**(57 893 624)**	**(53 747 560)**	**4 146 064**	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements (AFS) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999), (PFMA).

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. They are presented in South African Rand. All figures are rounded to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by the Standards of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. Where the accounting policy has been amended, this has been disclosed as such.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 Significant judgements and sources of estimation uncertainty

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

Receivables from exchange transactions

The entity assesses its receivables from exchange transactions for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from receivables.

The impairment for receivables from exchange transactions is considered first for individually significant receivables and then calculated on a portfolio basis for the remaining balance, including those individually significant receivables for which no indicators of impairment were found.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to lower of cost or net realisable value is subsequently provided.

The write down is included in surplus or deficit.

Impairment testing

The entity reviews and tests the carrying value of cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised for which management determined the best estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Useful lives of property, plant and equipment and intangible assets

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment and intangible assets. This estimate involves a matter of judgement based on the experience of the entity with similar assets. The entity considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors. Management will increase the useful lives where useful lives are less than previously estimated useful lives and decrease the useful lives where useful lives are more than previously estimated useful lives.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows, computed at initial recognition.

Litigation costs

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

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.

1.4 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

Property, plant and equipment is carried at historical cost amount, being cost model: cost less accumulated depreciation and any impairment losses.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	3-30 years
IT equipment	Straight line	2-20 years
Leased assets	Straight line	leased period
Motor vehicles	Straight line	3-10 years
Office equipment	Straight line	2-30 years
Small asset value	Straight line	5-30 years

Leasehold improvements are amortised over the shorter of the asset's useful lives and the lease term. The residual value, 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 entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standards of GRAP on Accounting Policies, Changes in Estimates and Errors.

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.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the 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.

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.
Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets.
The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The useful lives of intangible assets have been assessed as follows:

Item	Amortisation method	Average useful life
Computer software, other	Straight line	1-14 years

Computer software under development is not amortised and will be transferred to computer software once development has been completed.

The CCMA discloses the intangible assets under development in the notes to the financial statements: the cumulative expenditure recognised in the carrying value of intangible assets, the carrying value of intangible assets that is taking a significantly longer period of time to complete than expected, and the carrying value of intangible assets where development has been halted (see note 8).

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

1.6 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash- generating. The designation is made on the basis of the entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of non-cash- generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.
The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of the asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the entity:

- bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- bases cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts cover a maximum period of five years, unless a longer period can be justified; and
- estimates cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the entity uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non- cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.
After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

1.7 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash- generating. The designation is made on the basis of the entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity will not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.
Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.
After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standards of GRAP on Revenue from exchange transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
- receive cash or another financial asset from another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Finance lease obligations	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial instruments subsequently measured at fair value, which are measured at its fair value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at amortised cost

All financial assets measured at amortised cost, are subject to an impairment review.

If an entity determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that a receivable is impaired and this receivable is individually assessed, the receivable is excluded from the collective assessment.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:
- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.
If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.9 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.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.
Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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 is recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis over the lease term.

Any contingent rents are expensed in the period in which they are incurred.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost. The same cost formula is used for all inventories having a similar nature and use to the entity.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Prepayments

Prepayments are amounts paid in advance for a benefit not yet received. This type of expenses normally includes costs paid in one fiscal year that benefits a future year (period)

1.12 Accumulated surplus/(deficit)

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus/(deficit). Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.13 Provisions and contingencies

A provision is a liability of uncertain timing or amount. Provisions are recognised when:
- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.
Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

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

A contingent liability is:
- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.14 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are made in respect of unrecognised contractual commitments which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to operating leases. Refer to note 26 - Commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:
- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

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

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

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net discounts.

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; and
- 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 time frame, revenue is recognised on a straight line basis over the specified time frame 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.

Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 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.

Control of an asset arise 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, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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.

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.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.
As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.
When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.17 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

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.

1.18 Finance costs

Finance costs are interest and other expenses incurred by the entity in connection with the leasing of assets. Finance costs are recognised as an expense in the period in which they are incurred.

1.19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure as defined in section 1 of the PFMA means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Where the debt is found to be irrecoverable, the Accounting Authority may consider a write-off of the debt, in line with CCMA's Finance Management policy and the approved Delegation of Authority.
For details on fruitless and wasteful expenditure, refer to note 31 - Fruitless and wasteful expenditure.

1.20 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):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/ or before finalisation of the financial statements, is recorded in the register and disclosed in the notes to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end, is recorded in the register and disclosed in the notes 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 are 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 is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps are thereafter 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 register is also updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant programme/expenditure item, disclosed as such in the notes to the financial statements and updated accordingly in the register.

For details on irregular expenditure, refer to note 32 - Irregular expenditure.

1.21 Budget information

The entity is typically subjected to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2019 to 31/03/2020.

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 has been included in the Statement of comparison of budget and actual amounts.

1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.
The entity is exempt from disclosure requirements in relation to related party transactions if the transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with an individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by the entity's legal mandate.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:
- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.24 Taxation

No provision has been made for income tax as the CCMA is exempt in terms of section 10(1)cA)(b)(ii) of the Income Tax Act, 1962 (Act No. 58 of 1962).

1.25 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.26 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

Note to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	1 April 2019	The impact of the standard is not material
GRAP 20: Related Parties	1 April 2019	The impact of the standard is not material
GRAP 32: Service Concession Arrangements: Grantor	1 April 2019	The impact of the standard is not material
GRAP 108: Statutory Receivables	1 April 2019	The impact of the standard is not material
GRAP 109: Accounting by Principals and Agents	1 April 2019	The impact of the standard is not material
IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset	1 April 2019	The impact of the standard is not material
IGRAP 18: Recognition and Derecognition of Land	1 April 2019	The impact of the interpretation is not material
IGRAP 19: Liabilities to Pay Levies	1 April 2019	The impact of the interpretation is not material

2.2 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 01 April 2020 or later periods:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 34: Separate Financial Statements	1 April 2020	Unlikely there will be a material impact
GRAP 35: Consolidated Financial Statements	1 April 2020	Unlikely there will be a material impactl
GRAP 38: Disclosure of Interests in Other Entities	1 April 2020	Unlikely there will be a material impact
GRAP 37: Joint Arrangements	1 April 2020	Unlikely there will be a material impact
GRAP 36: Investments in Associates and Joint Ventures	1 April 2020	Unlikely there will be a material impact
GRAP 110: Living and Non Living Resources	1 April 2020	Unlikely there will be a material impact
IGRAP 1: Applying the probability test on initial recognition (amendments)	1 April 2020	Unlikely there will be a material impact
IGRAP 20: Accounting for Adjustments to Revenue	1 April 2020	Unlikely there will be a material impact
GRAP 104: Financial Instruments	Not yet determined	Unlikely there will be a material impact

Figures in Rand	2020	2019 Restated*

3. Inventories

Consumables	**1 858 148**	**2 085 869**

Consumables consists of items such as toners, process manuals, cleaning materials.

4. Receivables from exchange transactions

Trade receivables	357 360	608 922
Other receivables	1 979 454	1 011 199
Provision for doubtful debts	(961 263)	(992 746)
	1 375 551	**627 375**

Trade and other receivables pledged as security

No trade and other receivables have been pledged as security.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 30 days past due are not considered to be impaired. These receivables amounted to R663 186 for the year under review (2019: R252 265).

At 31 March 2020, R435 756 (2019: R200 607) were past due but not impaired as the amounts are deemed to be recoverable.

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

Other receivables

60 days	55 989	-
over 120 days	379 767	200 607
	435 756	**200 607**

Trade and other receivables impaired

As of 31 March 2020, trade and other receivables of R1 237 872 (31 March 2019: R1 167 249) were impaired and provided for. These amounts are after taking into account the trade and other receivables that is not deemed to be impaired (R435 756) and trade and other receivables that is less than 30 days (R663 186).

The amount of the provision was R961 263 as of 31 March 2020 (31 March 2019: R992 746).

The ageing of these receivables is as follows:

Trade receivables

30 days	5 639	25 420
60 days	20 204	37 219
90 days	6 140	56 336
over 120 days	269 506	295 625
	301 489	**414 600**

Figures in Rand	2020	2019 Restated*
Other receivables		
30 days	-	59 785
60 days	1 555	-
90 days	-	9 931
over 120 days	934 828	682 933
	936 383	**752 649**

Reconciliation of Trade and other receivables 2020	Trade receivables	Other receivables	Total
Receivable that are not past due	55 871	607 315	663 186
Receivables past due but not impaired	-	435 756	435 756
Trade and other receivbles assesed for impairment	301 489	936 383	1 237 872
Impairment	(24 880)	(936 383)	(961 263)
	332 480	**1 043 071**	**1 375 551**

Reconciliation of Trade and other receivables 2019	Trade receivables	Other receivables	Total
Receivable that are not past due	194 320	57 945	252 265
Receivables past due but not impaired	-	200 607	200 607
Trade and other receivbles assesed for impairment	414 600	752 649	1 167 249
Impairment	(240 099)	(752 647)	(992 746)
	368 821	**1 043 071**	**627 375**

Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(992 746)	(403 331)
Provision for impairment	31 483	(589 415)
	(961 263)	**(992 746)**

5. Prepayments

Prepayments	**1 442 763**	**430 919**

Prepayments include prepaid licenses and subscriptions.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	51 087	34 013
Bank balances	3 849 706	2 064 206
Short-term deposits	92 756 448	178 190 506
	96 657 241	**180 288 725**

Cash and cash equivalents held by the CCMA, as a pledge account that is not available for use.	**976 547**	**920 787**

7. Property, plant and equipment

	2020			2019 Restated*		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	26 452 381	(21 256 795)	5 195 586	26 877 888	(18 613 475)	8 264 413
Motor vehicles	708 295	(512 145)	196 150	708 295	(401 050)	307 245
Office equipment	6 171 956	(5 116 022)	1 055 934	6 389 725	(5 101 465)	1 288 260
IT equipment	64 663 337	(41 550 862)	23 112 475	49 122 367	(36 661 911)	12 460 456
Leasehold improvements	3 564 702	(2 673 425)	891 277	3 887 881	(2 746 225)	1 141 656
Leased motor vehicles	35 034	(11 678)	23 356	332 098	(285 973)	46 125
Leased office equipment	1 176 409	(777 019)	399 390	10 883 212	(7 460 410)	3 422 802
Small value assets	-	-	-	(1 539)	(141)	(1 680)
Total	**102 772 114**	**(71 897 946)**	**30 874 168**	**98 199 927**	**(71 270 650)**	**26 929 277**

Figures in Rand	2020	2019 Restated*

Reconciliation of property, plant and equipment as at 31 March 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	8 264 413	127 105	(67 056)	(1 681)	(3 127 195)	5 195 586
Motor vehicles	307 245	-	-	-	(111 095)	196 150
Office equipment	1 288 260	243 337	(19 983)	-	(455 680)	1 055 934
IT equipment	12 460 456	17 132 899	(94 398)	-	(6 386 482)	23 112 475
Leasehold improvements	1 141 656	86 035	(44)	-	(336 370)	891 277
Leased motor vehicles	46 125	35 034	(1)	-	(57 802)	23 356
Leased office equipment	3 422 802	863 158	(153)	-	(3 886 417)	399 390
Small value assets	(1 680)	-	-	1 680	-	-
	26 929 277	18 487 568	(181 635)	(1)	(14 361 041)	30 874 168

Reconciliation of property, plant and equipment as at 31 March 2019 Restated*

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Furniture and fixtures	6 119 278	3 442 039	(20 244)	4 005 625	(18 886)	(5 263 399)	8 264 413
Motor vehicles	492 878	-	-	-	(3 602)	(182 031)	307 245
Office equipment	1 214 554	594 334	(4 592)	363 382	(37 197)	(842 221)	1 288 260
IT equipment	19 549 168	3 659 877	(57 054)	772 245	3 150	(11 466 930)	12 460 456
Leasehold improvements	1 945 993	134 201	(4 224)	84 221	74 464	(1 092 999)	1 141 656
Leased motor vehicles	224 963	-	-	-	(4)	(178 834)	46 125
Leased office equipment	6 633 018	313 250	-	-	(176 001)	(3 347 465)	3 422 802
Small value assets	5 245 406	-	-	(5 250 759)	3 673	-	(1 680)
	41 425 258	8 143 701	(86 114)	(25 286)	(154 403)	(22 373 879)	26 929 277

Figures in Rand	2020	2019 Restated*

Assets subject to finance lease (Net carrying amount)

	2020	2019 Restated*
Leased motor vehicles	23 356	46 125
Leased office equipment	399 390	3 422 802
	422 746	**3 468 927**

Repairs and Maintenance
Cumulative expenditure recognised in the carrying value of property, plant and equipment

	2020	2019 Restated*
Property, plant and equipment	**3 803 620**	**3 802 765**

8. Intangible assets

	2020			2019 Restated*		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	40 439 081	(23 448 488)	16 990 593	34 176 528	(21 665 754)	12 510 774

Figures in Rand	2020	2019 Restated*

Reconciliation of intangible assets as at 31 March 2020

	Opening	Additions	Disposals	Computer software under development	Amortisation	Total
Computer software	12 510 774	19 654 817	(10)	416 900	(15 591 888)	16 990 593

Reconciliation of intangible assets as at 31 March 2019 Restated*

	Opening	Additions	Transfers	Other changes, movements	Amortisation	Total
Computer software	8 360 258	12 799 289	25 287	(72 819)	(8 601 241)	12 510 774

Cumulative expenditure recognised in the carrying value of intangible assets

Computer software under development	**416 900**	**-**

The development of the computer software as at year end, has not been halted nor is it taking more time than expected.

9. Finance lease liability

Minimum lease payments due

within one year	489 363	3 754 764
in second to fifth year inclusive	84 735	180 567
	574 098	**3 935 331**
less: future finance charges	(91 641)	(315 808)
Present value of minimum lease payments	**482 457**	**3 619 523**

Present value of minimum lease payments due

within one year	412 013	3 493 883
in second to fifth year inclusive	70 444	125 640
	482 457	**3 619 523**
Non-current liabilities	70 444	125 640
Current liabilities	412 013	3 493 883
	482 457	**3 619 523**

It is CCMA's policy to lease certain motor vehicles and equipment under finance leases.
The average lease term was 3-5 years and the average effective borrowing rate was 10% (2019: 10%).
The CCMA's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 7.

Figures in Rand	2020	2019 Restated*

10. Operating lease liability

Non-current liability	18 863 341	-
Current liability	2 272 833	20 618 002
	21 136 174	**20 618 002**

Refer to Note 26 for additional information.

11. Payables from exchange transactions

Trade payables	42 474 999	51 866 917
Payroll creditors	29 742 169	26 232 352
Workmen compensation	2 269 830	2 096 760
	74 486 998	**80 196 029**

12. Provisions

Reconciliation of provisions - As at 31 March 2020

	Opening Balance	Additions	Utilised during the year	Total
Audit fees	2 567 108	3 186 874	(3 680 187)	2 073 795
Performance incentives	29 854 173	18 620 000	(29 854 173)	18 620 000
Provision for landlord payment	-	128 496	-	128 496
	32 421 281	**21 935 370**	**(33 534 360)**	**20 822 291**

Reconciliation of provisions - As at 31 March 2019

	Opening Balance	Additions	Utilised during the year	Total
Audit fees	1 887 981	3 272 406	(2 593 279)	2 567 108
Performance incentives	19 260 954	29 854 173	(19 260 954)	29 854 173
	21 148 935	**33 126 579**	**(21 854 233)**	**32 421 281**

The provision for incentives relates to the performance achievements of the employee based on assumption that a determined number of employees will achieve an average performance score to qualify for the incentive.

The provision for audit fees is based on the assumption that CCMA will incur future audit fees according to the audit engagements. The provision for landlord payment is a result of the non responsiveness from the landlord on the matter outstanding, which has created uncertainty on the timing of the expense.

The CCMA can now not confirm the timing of when the expenditure will be paid.

13. Rendering of Services

Rendering of services	**6 456 280**	**5 553 738**

14. Interest received on Investments

Investments	**13 420 215**	**14 762 254**

15. Government grants and subsidies

Operating grants

Government grants and subsidies	**978 730 742**	**965 905 171**

Figures in Rand	2020	2019 Restated*

16. Total revenue

Rendering of services	6 456 280	5 553 738
Other income	1 060 897	291 245
Interest received on Investment	13 420 215	14 762 254
Government grants and subsidies	978 730 742	965 905 171
	999 668 134	**986 512 408**

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	6 456 280	5 553 738
Other income	1 060 897	291 245
Interest received (Investment)	13 420 215	14 762 254
	20 937 392	**20 607 237**

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants and subsidies	**978 730 742**	**965 905 171**

17. Other income

Insurance and other recoveries	**1 060 897**	**291 245**

18. Employee related costs

Basic	402 746 718	374 468 671
Perfomance incentives	18 620 000	29 854 173
Medical aid - company contributions	46 789 486	42 285 347
UIF	1 740 226	1 727 254
WCA	1 148 577	1 046 947
Leave pay provision charge	6 077 703	6 067 886
Provident fund	65 196 341	59 782 068
13th cheque	3 804 870	5 719 690
Other staff costs	545 166	718 957
	546 669 087	**521 670 993**

Remuneration of the Director

C Morajane		
Annual Remuneration	2 955 706	2 866 219
Performance Bonuses	1 540 991	624 325
Contributions to UIF, Medical and Pension Funds	512 149	491 181
Reimbursive allowances	68 473	106 036
	5 077 319	**4 087 761**

Figures in Rand	2020	2019 Restated*

Remuneration of the Chief Audit Executive

Z Hlophe		
Annual Remuneration	2 100 557	2 062 622
Performance Bonuses	629 075	194 622
Cellphone allowance	14 400	14 400
Contributions to UIF, Medical and Pension Funds	450 783	436 421
Reimbursive allowance	-	50 113
	3 194 815	**2 758 178**

R Dinga (Acting)		
Annual Remuneration	-	38 379
	-	**38 379**

Remuneration of the Executive: Legal Services

R Moeketsi		
Annual Remuneration	832 180	2 085 335
Performance Bonuses	507 933	350 459
Cellphone allowance	6 000	14 400
Contributions to UIF, Medical and Pension Funds	161 918	423 443
Reimbursive allowance	-	64 700
	1 508 031	**2 938 337**

EG Hambidge (Acting)		
Annual Remuneration	1 637 644	-
Cellphone allowance	13 200	-
Contributions to UIF, Medical and Pension Funds	9 378	-
	1 660 222	**-**

Remuneration of the Chief Financial Officer

K Mashaakgomo		
Annual Remuneration	2 025 375	510 857
Cellphone allowance	14 400	3 600
Contributions to UIF, Medical and Pension Funds	413 200	88 020
Reimbursive allowance	5 163	2 348
	2 458 138	**604 825**

M Mabaso (Acting)		
Annual Remuneration	-	143 786
Cellphone allowance	-	714
	-	**144 500**

Figures in Rand	2020	2019 Restated*
P Magagula		
Annual Remuneration	-	1 350 339
Cellphone allowance	-	9 600
Contributions to UIF, Medical and Pension Funds	-	236 615
Reimbursive allowance	-	32 571
	-	**1 629 125**
B Mbolekwa (Acting)		
Annual Remuneration	-	219 786
Contributions to UIF, Medical and Pension Funds	-	22 463
	-	**242 249**

Remuneration of the National Senior Commissioner: Collective Bargaining and Outreach

H Docrat		
Annual Remuneration	2 076 623	2 035 911
Performance Bonuses	508 981	351 183
Cellphone allowance	14 400	14 400
Contributions to UIF, Medical and Pension Funds	502 438	478 000
Reimbursive allowance	13 787	64 339
	3 116 229	**2 943 833**

Remuneration of the Executive: Corporate Services

M Ncanana		
Annual Remuneration	2 159 513	2 109 094
Performance Bonuses	508 981	351 183
Cellphone allowance	14 400	14 400
Contributions to UIF, Medical and Pension Funds	420 311	370 797
Reimbursive allowance	7 913	65 012
	3 111 118	**2 910 486**
S Mafora (Acting)		
Annual remuneration	-	26 391
	-	**26 391**

Figures in Rand	2020	2019 Restated*
Remuneration of the Executive: Governance and Strategy		
A Mokgadinyane		
Annual Remuneration	1 826 078	-
Annual Remuneration (Acting)	33 860	248 040
Cellphone allowance (Acting)	1 200	1 538
Cellphone allowance	13 200	-
Contributions to UIF, Medical and Pension Funds	392 793	-
Reimbursive allowance	10 713	-
	2 277 844	**249 578**
N Govender		
Annual remuneration	-	699 201
Cellphone allowance	-	4 800
Contributions to UIF, Medical and Pension Fund	-	127 573
Other	-	33 144
	-	**864 718**
Remuneration of the National Senior Commissioner: Dispute Resolution		
C Small		
Annual Remuneration	870 394	131 789
Contribution to Medical, UIF and Pension Fund	149 264	-
Cellphone allowances	6 000	12 000
Other	86 553	-
	1 112 211	**143 789**
M Kotze		
Annual remuneration - Acting	158 907	-
Cellphone allowance - Acting	6 409	-
Annual remuneration	324 854	51 184
Cellphone allowance	2 400	200
Contribution to UIF, Medical and Pension Funds	81 459	-
	574 029	**51 384**
G Mafa-Chali (Acting)		
Annual remuneration	-	190 443
Cellphone allowance	-	1 200
	-	**191 643**

Figures in Rand	2020	2019 Restated*

National Senior Commissioner: Dispute Prevention and Training

L Warwick (Acting)		
Annual remuneration	138 759	-
Cellphone allowance	7 157	-
	145 916	**-**

W Thomson (Acting)		
Annual remuneration	918 148	-
Cellphone allowance	6 000	-
Contribution to UIF, Medical and Pension Funds	892	-
	925 040	**-**

Remuneration of the Chief Information Officer

N Nkosi		
Annual Remuneration	2 001 711	325 443
Cellphone allowance	14 400	2 345
Contributions to UIF, Medical and Pension Funds	436 646	58 612
Reimbursive allowance	24 009	1 461
	2 476 766	**387 861**

A Masoso (Acting)		
Annual remuneration	-	159 376
	-	**159 376**

Figures in Rand	2020	2019 Restated*

19. Administration expenses

General administration	90 439 430	74 552 804
Rental office building leases (Operating lease)	72 274 844	63 646 688
	162 714 274	**138 199 492**

20. Depreciation and amortisation

Property, plant and equipment		
Furniture and fixtures	3 127 246	5 263 399
IT equipment	6 386 482	11 466 930
Leasehold improvements	336 372	1 092 999
Leased motor vehicles	57 801	178 834
Motor vehicles	111 095	182 031
Leased office equipment	3 886 417	3 347 465
Office equipment	455 581	842 221
	14 360 994	**22 373 879**

Intangible assets

Intangible assets	15 591 789	8 601 241
	29 952 783	**30 975 120**

21. Finance costs

Finance leases	**305 811**	**680 212**

Total interest expense, calculated using 10% on financial instruments not at fair value through surplus or deficit.

22. Bargaining councils subsidies

Bargaining councils subsidies	**5 846 443**	**5 610 160**

23. Operating expenses

Advertising	316 492	1 173 464
Cleaning	5 730 201	5 180 480
Computer expenses	5 869 973	4 744 494
Consulting and professional fees	2 325 138	2 684 512
Other operating expenses	18 179 248	18 329 291
Pot plants	309 091	211 369
Case disbursement costs	249 072 878	227 997 044
Research and development costs	62 757	12 551
Software expenses	1 501 401	1 206 996
Travel - local	21 723 396	18 854 978
Travel - overseas	1 269 244	869 205
Rental other	35 201	1 201 775
	306 395 020	**282 466 159**

Figures in Rand	2020	2019 Restated*

24. Cash (used in) generated from operations

(Deficit) surplus	(53 747 560)	5 985 121
Adjustments for:		
Depreciation and armortisation	29 952 783	30 975 147
Loss on sale of assets	181 692	80 770
Loss on foreign exchange	1 350 584	844 354
Other movement in property, plant and equipment	-	240 517
Other movement in intangible	-	72 819
Movement in provisions relating to employees	(11 234 173)	10 593 219
Movement in provisions relating to suppliers	(364 817)	679 127
Increase in payroll creditors	3 509 817	3 066 717
Provision for doubtful debts	(31 483)	(589 415)
Changes in working capital:		
Inventories	227 721	(429 603)
Receivables from exchange transactions	(716 693)	4 819 695
Prepayments	(1 011 844)	80 990
Payables from exchange transactions	(10 569 432)	5 403 485
	(42 453 405)	**61 822 943**

25. Financial instruments disclosure

Categories of financial instruments

As at 31 March 2020

Financial assets

	At amortised cost	Total
Cash and cash equivalents	96 657 241	96 657 241
Receivables from exchange transactions	1 375 551	1 375 551
	98 032 792	**98 032 792**

Financial liabilities

	At amortised cost	Total
Finance lease liabilities	482 457	482 457
Payables from exchange transactions	74 486 999	74 486 999
	74 969 456	**74 969 456**

As at 31 March 2019

Financial assets

	At amortised cost	Total
Cash and cash equivalents	180 288 725	180 288 725
Receivables from exchange transactions	629 375	629 375
	180 918 100	**180 918 100**

Figures in Rand	2020	2019 Restated*

Financial liabilities

	At amortised cost	Total
Finance lease liability	3 619 523	3 619 523
Payables from exchange transactions	80 196 029	80 196 029
	83 815 552	**83 815 552**

26. Commitments

Authorised capital expenditure

Approved and contracted for:		
Property, plant and equipment	10 764 881	562 529
Intangible assets	32 385 787	27 220 630
	43 150 668	**27 783 159**
Approved and not yet contracted for:		
Property, plant and equipment	-	35 924 501
Intangible assets	1 429 875	2 838 351
	1 429 875	**38 762 852**
Total capital commitments		
Approved and contracted for	43 150 668	27 783 159
Approved and not yet contracted for	1 429 875	38 762 852
	44 580 543	**66 546 011**

Authorised operational expenditure

Approved and contracted for		
Operational commitment within one year	24 256 569	16 931 970
Operational commitment in second to fifth year	11 263 441	10 641 171
	35 520 010	**27 573 141**
Approved and not yet contracted for		
Operational commitment within one year	458 974	9 234 930
Operational commitment in second to fifth year	1 289 015	7 426 411
	1 747 989	**16 661 341**
Total operational commitments		
Approved and contracted for	35 520 010	27 573 141
Approved and not yet contracted for	1 747 989	16 661 341
	37 267 999	**44 234 482**

Figures in Rand	2020	2019 Restated*

Total commitments		
Authorised capital	44 580 544	66 546 010
Authorised operational expenditure	37 268 000	44 234 482
	81 848 544	**110 780 492**

Capital and Operational expenditure are financed by government grant received from National Treasury through the Department of Employment and Labour. The commitments represent approved purchase orders and contracts that are concluded at 31 March 2020, and will be financed by available cash facilities and retained surplus.

Changes to prior year balances have been explained under note 35.

Operating lease liability

Minimum lease payments due		
within one year	66 636 399	60 031 689
in second to fifth year inclusive	142 178 302	152 192 045
later than five years	37 268 000	25 080 511
	219 501 736	**237 304 245**

Operating lease payments represent rentals payable by the CCMA for office space and parking. Rentals are smoothed over the lease term in accordance with the Standards of GRAP.

Changes to prior year balances have been explained under note 35.

Finance lease liability

Minimum lease payments due		
within one year	489 363	3 754 764
in second to fifth year inclusive	84 735	180 567
finance charges	(91 641)	(315 808)
	482 457	**3 619 523**

Finance lease payments represents motor vehicles, photocopying machines, water coolers and vending machines.

27. Contingencies

27.1 Surplus retention (S53 (3) of the PFMA)

In terms of Section 53(3) of the PFMA, a Public Entity may not accumulate surplus funds without approval from National Treasury. Approval has been requested from National Treasury to retain surplus as stated below:

Cash and Cash Equivalents	96 657 241	180 288 725
Add: Receivables	1 375 551	1 685 064
Less: Current Liabilities	(97 994 135)	(124 080 156)
Less: Commitments	-	(47 963 812)
Surplus	**38 657**	**9 929 821**

Figures in Rand	2020	2019 Restated*

*On the 2nd of September 2020, the National Treasury issued instruction No.12 of 2020/21 which revised the calculation for the retention of surplus for constitutional institutions, schedule 3A and 3C public entities as listed in the PFMA. The impact of the revision is that the short-term commitment balance will not be taken into account in calculating the retention of surplus for the 2019/20 financial year.

27.2 Litigations

Claims of repudiation	18 200 000	15 000 000
Claims of damages	-	400 000
Claims of services rendered	150 000	220 000
Claims of arrears payments	-	50 970
Labour matter	1 099 000	701 888
	19 449 000	**16 372 858**

In conjunction with the CCMA legal team, management assessed the possible obligations of the litigations and confirmed that they arose from past events. The resolution of the litigations is not wholly within the control of the CCMA and amounts reflected is the best estimates of the probable costs of settling the matters.

28. Related parties

Relationships Management	Governing Body Audit and Risk Committee Essential Services Committee Key management - Refer to note 18
Included in the Governing Body is government representatives	Ms Ntsoaki Mamashela Mr Virgil Seafield Ms Aggy Moiloa
Controlling entity	Department of Employment and Labour
Entities under common control	National Economic Development and Labour Council (Nedlac) Productivity South Africa Compensation Fund Unemployment Insurance Fund (UIF) Sheltered Employment and Enterprises (SEE)
Bargaining Councils	There are 35 (31 March 2019: 36) bargaining councils which have been accredited by the CCMA in accordance with the LRA

Related party transactions

Government Grants:		
Department of Employment and Labour	978 730 742	965 905 171
Purchases from Related Parties:		
Unemployment Insurance Fund	3 481 642	3 453 794

Figures in Rand	2020	2019 Restated*

28. Related parties

BC for Civil Engineering Industry	227 701	273 468
BC for Electrical Industry	29 231	66 071
BC for Contract Cleaning Industry	-	83 329
BC for Meat Trade	12 445	64 313
BC for Restaurant, Catering	253 131	269 169
BC for Food Retail Restaurant, Catering & Allied Trades	78 089	52 567
BC for The Hairdressing & Cosmetology	75 319	69 860
BC for Public Health and Social Development	208 385	238 076
BC for Building Industry S&E	650	6 426
BC for Building Industry Cape of Good Hope	384 290	262 304
BC for Clothing Industry	57 028	91 178
BC for Furniture Manufacturing Industry	-	27 530
BC for Furniture Bedding & Upholstery Industry	43 522	36 465
BC for Metal & Engineering Industry	1 290 132	1 068 105
BC for Motor Industry	826 750	1 159 471
NBC for The Road Freight Industry	1 005 167	569 266
NBC for The Leather Industry of SA	3 966	15 784
BC for Public Service Coordinating	93 236	182 127
BC for Safety and Security Sectoral	106 295	88 348
BC for South African Road Passenger	193 273	237 831
BC for Statutory Council for Printing Newspaper & Packaging Industry	23 933	72 491
BC for Education Labour Relations Council	34 427	42 403
BC for South African Local Government	330 526	119 221
BC for Laundry Cleaning & Dyeing	10 052	9 358
BC for Chemical Industry	193 819	182 013
BC for Road Freight Industry	-	95 868
BC for Furniture, Bedding, Upholstery	12 924	-
Transnet Bargaining Council	46 532	-
BC For the Grain Industry	20 480	-
	9 042 945	**8 836 836**

Figures in Rand	2020	2019 Restated*

Payable by CCMA

Compensation Fund	2 269 830	2 567 108
BC for Building Industry Cape of Good Hope	13 676	-
BC for Clothing Industry	6 154	-
BC for Meat Trade	23 249	-
BC for Motor Industry	229 073	-
BC for Statutory Council for Printing Newspaper & Packaging Industry	12 992	-
	2 554 974	**2 567 108**

Remuneration of key management

Remuneration of key management is included under note 18 Employee Related Cost.

Governing Body Emoluments

L Bono - ESC member	1 310 889	1 040 994
R Clark - ARC member	82 396	125 826
GT Esitang - Governing Body member	54 928	88 191
A Gildenhys - ESC member	253 565	112 813
W Gumede - ARC member	-	15 516
J Koen - ESC member	-	11 120
M Ledwaba - Governing Body Chairperson	276 625	194 891
S Lukhele - Governing Body member	299 123	311 865
SD Mahlalela - ARC member	6 314	2 955
CK Marule - ESC member	358 398	163 645
N Mermani - ESC member	422 727	328 360
C Mokoena - ESC member	-	29 354
N Moloto - Governing Body member	178 604	186 977
C Motau - ARC member	93 118	134 564

28. Related parties

IK Moyane - Governing Body member	141 264	192 054
M Ndaba - ESC member	342 698	141 150
AZ Ndlala - ESC member	346 867	122 444
MJ Nkopane - ESC member	848 949	777 403
R Nolutshungu - ESC member	-	78 298
B Ntshalintshali - Governing Body member	212 365	218 808
V Pangwa - ARC member	126 684	175 350
A Ranchod - ESC member	490 503	372 572
S Khumalo - ESC member	-	25 685
L Trentini - Governing Body member	109 170	112 315
	5 955 187	**4 963 150**

29. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks such as, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The CCMA is exposed to liquidity risk as a result of funds available and required to cover future financial obligations. The risk is managed through continuous review of the future financial obligations.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	412 013	70 444		-
Trade and other payables	74 486 999	-		-

At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	3 493 883	125 640		-
Trade and other payables	80 196 029	-		-

Credit risk

The CCMA is exposed to credit risk on receivable from exchange transactions, cash and cash equivalent.

The CCMA only deposits cash with major banks with high quality credit standing and limits exposure to any one counter- party.

Management evaluates credit risk to debtors on an ongoing basis. The collection rate and debtors' payment history are monitored continuously, in managing the credit risk of the CCMA. Furthermore, the risk is managed through agreed terms and condition of payment as set in the contractual agreement signed with the debtors. Overdue accounts are handed over for legal collection after 30 days of becoming due.

Figures in Rand	2020	2019 Restated*

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Cash and cash equivalents	96 657 241	180 288 725
Receivables from exchange transactions	1 375 551	627 375

Market risk

Foreign exchange risk

The CCMA does not hedge foreign exchange fluctuations, thus it is impacted by the currency fluctuations between the South Africa Rand's and United States Dollars. However, the impact of such, is continuously assessed and should it be material, hedging instruments might be required.

The CCMA Price risk is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market, due to multiple factors.

Foreign currency exposure at statement of financial position date

Liabilities		
Trade payables (2020: USD 0), (2019: USD 649 403)	-	9 481 283

Exchange rates used for conversion of foreign items were:		
USD	R17.98	R14.60

30. Going concern

We draw attention to the fact that at 31 March 2020, the entity had accumulated surplus of R32 270 544 and that the entity's total assets exceed its liabilities by R32 270 544.

The annual financial statements have been prepared based on going concern accounting policies. This basis presumes that funds will be available to finance future operations, the realisation of assets, settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Figures in Rand	2020	2019 Restated*
31. Fruitless and wasteful expenditure		
Opening balance as previously reported	82 632	27 000
Correction of prior period error	80	-
Opening balance as restated	**82 712**	**27 000**
Add: Occurred in the current year	125 157	70 419
Add: Occurred in the prior year	(12 293)	-
Less: Amounts recovered / recoverable	(127 644)	-
Less: Amount written off	-	(14 787)
Less: Amounts not deemed to be fruitless and wasteful expenditure	(67 932)	-
Closing balance	**-**	**82 632**

The adjustment of R80 is attributable to incorrect recording of the fruitless and wasteful expenditure transaction.

Details of amounts not deemed to be fruitless and wasteful expenditure		Number of incidents
Travel expenses	(41 337)	4
Interest and penalties	(20 471)	2
Operating expenses	(6 124)	1
	(67 932)	**7**

Seven (7) transactions were assessed during the financial year and found not to have contravened the applicable laws and regulations. The Loss and Control Committee recommended for transactions to be removed from the fruitless and wasteful expenditure register.

Details of Fruitless and Wasteful Expenditure under Assessment

Classification of Incidents		Number of cases under assessment
Interest and penalties (Prior year)	12 293	1
Interest and penalties (Current year)	36 301	1
	48 594	**2**

Two (2) transactions were identified and recorded in the register. At year-end, these transactions were still being assessed to confirm non-compliance with the applicable laws and regulations. These transactions were not taken into account in determining the total fruitless and wasteful expenditure for the 2019/20 financial year.

Details of fruitless and wasteful expenditure recoverable

Classification of Incidents		Number of incidents
Travel expenses	49 786	9
Interest and penalties	77 858	3
	127 644	**12**

Figures in Rand	2020	2019 Restated*

Twelve (12) transactions were assessed during the financial year and found to have contravened the applicable laws and regulations. The Loss and Control Committee assessed and confirmed the root causes of the contraventions. Based on the root causes, the Loss and Control Committee recommended that the expenditure be recovered from the persons implicated.

32. Irregular expenditure

Opening balance	80 017 435	68 296 067
Add/ (Less): Prior year adjustments to opening balance	-	1 736 733
Opening balance as restated	**80 017 435**	**70 032 800**
Add: Irregular expenditure relating to prior year	544 734	8 955 040
Add: Occurred in the current year	18 993	1 029 595
Add: Movement*	10 904 835	-
Less: Prior year amounts not condoned and removed	(280 143)	-
Less: Current year amounts not condoned and removed	(3 133)	-
Closing balance	**91 202 721**	**80 017 435**

Analysis of Irregular Expenditure awaiting condonation per age Classification		
Current year	15 860	1 029 595
Prior year	91 186 861	78 987 840
	91 202 721	**80 017 435**

Forty nine (49) transactions were assessed during the financial year 2019/2020 and found to have contravened the applicable laws and regulations. The Loss and Control Committee assessed and confirmed the root causes of the contraventions. Based on the root causes recommendations were made to management to implement.

***Movement**
The amount represents irregular expenditure incurred in the current period relating to non-compliant contracts that were entered into in prior years and awaiting condonation

Details of irregular expenditure not condoned and removed		**Number of incidents**
Operating expenses (prior year)	280 143	4
Operating expenses (current year)	3 133	1
	283 276	**5**

Five (5) transactions were assessed during the financial year 2019/20 and found not to have contravened the applicable laws and regulations. The Loss and Control Committee recommended for the transactions to be removed from the irregular expenditure register.

Number of incidents under assessment		**Number of incidents under assessment**
Operating expenses	412 460	8

Eight (8) transactions have been identified during the financial year 2019/20 and recorded in the register. At year-end, these transactions were still being assessed to confirm non-compliance with the applicable laws and regulations. The transactions were not taken into account in determining the total Irregular expenditure for the 2019/20 financial year.

33. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of GRAP on a basis consistent with the prior year except for:

- The average useful life for amortising intangible assets. The average useful life has been revised from 3-25 to 1-14 years due to the change in expected economic benefits to be realised from the assets.
- The average useful life for depreciating computer equipment. The average useful life has been revised from 3-25 to 2-20 years due to the change in expected economic benefits to be realised from the asset.

The changes in accounting policy did not have impact on the previously reported amounts in the statement of financial performance.

34. Change in estimate

The useful life of some property, plant, and equipment was re-assessed and increased at the reporting date in line with the Standards of GRAP.

The effect of the revision for the financial year 2019/20 is a decrease in depreciation expenditure by an amount of R461 thousand.

35. Prior-year adjustments

Statement of financial position as at 31 March 2019

	As previously reported	Correction of error	Reclassification	Restated
Receivables from exchange transaction	1 685 064	(1 057 691)	-	627 373
Property plant and equipment	27 078 009	(148 732)	-	26 929 277
Intangible assets	6 462 285	6 048 489	-	12 510 774
Finance lease obligation - current	(125 640)	-	(3 368 243)	(3 493 883)
Payables from exchange transactions	(71 190 440)	(9 005 586)	-	(80 196 026)
Finance lease obligation - non-current	(3 493 883)	-	3 368 243	(125 640)
Operating lease liability	(20 342 795)	(275 208)	-	(20 618 002)
Accumulated surplus	(90 456 832)	4 438 728	-	(86 018 104)
	(150 384 232)	**-**	**-**	**(150 384 231)**

Statement of financial performance as at 31 March 2019

	As previously reported	Correction of error	Restated
Rendering of services	(5 714 814)	161 076	(5 553 738)
Other income	(282 718)	(8 527)	(291 245)
Administration expenses	138 132 095	67 397	138 199 492
Operating expenses	282 955 010	(488 851)	282 466 159
Depreciation and amortisation	27 277 384	3 697 762	30 975 146
Foreign exchange differences	-	844 354	844 354
	442 366 957	**4 273 211**	**446 640 168**

Explanation of Errors

Receivable from exchange transactions, provision for doubtful debts, rendering of services, other income and accumulated surplus:

Errors identified was as a result of revenue from rendering of services and other income accounted for in the incorrect accounting period. These errors identified had an impact on the receivables from exchange transactions, provision for doubtful debt and accumulated surplus.

Property, plant and equipment, intangible assets, operating expenses, depreciation, amortisation and accumulated surplus:

Assets were incorrectly classified and not accounted for in the correct accounting period. These errors had an impact on the depreciation, amortisation and accumulated surplus.

Some items of property, plant, and equipment were accounted for as operating expense instead of being capitalised in the prior year. These errors had an impact on the depreciation, amortisation and accumulated surplus.

Finance Lease Obligation:

Finance lease obligation was restated as a result of the incorrect classification of the current and non-current liability amounts in the statement of financial position.

Payables from exchange transactions, administration and operating expenses:

Administration and operating expenses were not accounted for in the correct accounting period. These errors had an impact on the payables from exchange transactions and accumulated surplus.

Payables from exchange transactions and foreign exchange differences:

The error arose due to year-end valuation of creditors denominated in foreign currency not being performed. This error also had an impact on the payables from exchange transactions.

Operating lease liability and administration expenses:

Operating lease liability and administration expenses were understated in the prior year due to rental payments that were withheld as a result of the dispute with the landlord. The dispute has since been resolved and payment was made.

Related Parties

	As previously disclosed	Correction of error	Restated
Purchases from related parties	11 474 418	(2 637 582)	8 836 836

WCA was disclosed as purchases from related parties and a payable by the CCMA. The only transaction with the WCA was a payable by the CCMA and not the purchases from related parties.

Commitments

	As previously reported	Correction of error	Restated
Authorised capital expenditure	21 003 394	45 542 616	66 546 010
Authorised operational expenditure	114 218 710	(69 984 228)	44 234 482
	135 222 104	**(24 441 612)**	**110 780 492**

Commitment balance was restated as a result of incorrect classification between capital and operational expenditure. Furthermore, expenditure was incorrectly captured for some of the contracts recorded in the register in the prior year.

Operating lease liability

	As previously reported	Correction of error	Restated
Minimum lease payments due within one year	57 529 388	2 502 300	60 031 688
Minimum lease payments due in the second to fifth year	146 610 351	5 581 694	152 192 045
Minimum lease payments due in second to fifth year	25 080 511	-	25 080 511
	229 220 250	**8 083 994**	**237 304 244**

Minimum lease payments due were understated in the prior year due to rental payments that were withheld as a result of the dispute with the landlord. The dispute has since been resolved and payment was made.

Irregular expenditure

	As previously reported	Correction of error	Restated
Opening balance	68 296	68 227 771	68 296 067
Add / (Less): Prior year adjustments to opening balance	1 736	1 734 997	1 736 733
Add: Movement from prior years	8 955	8 946 085	8 955 040
Add: Occurred in the current	1 030	1 028 565	1 029 595
	80 017	**79 937 418**	**80 017 435**

Irregular expenditure note was incorrectly rounded off in the prior financial year.

36. Events after the reporting date

Management assessed the impact of COVID-19 pandemic and noted the following:

Government grant and subsidies for the financial year 2020/21 was reduced by R55.5 million as a result of government responses to the pandemic. The reduction has a resulted impacted on funds available for spending. In addition to the reduction in government grant and subsidies, the estimated revenue on interest on investment income and rendering of services was revised down due to the adverse economic conditions.

Expenditure is significantly impacted by the reduction in revenue, however, the costs are expected to increase as the CCMA is responding to the labour market needs.

The impact of the pandemic on the total assets of the CCMA has been assessed and found not to be significant. This was also considered on the significant judgements applied by management in preparation of these financial statements.

Payables from exchange transactions is expected to increase in line with changes in expenditure. The remaining liabilities are not expected to be significantly impacted as these are accounted for in line with the contractual agreements in place.

In response to the pandemic, the Minister of Finance exempted institutions whom the PFMA applies to, to comply with sections 55(1)(c), 55(1)(d) and 65(2) of the Act. As a result the annual financial statements of the CCMA were not submitted for audit and to the relevant treasury two months after the financial year end.

37. Reasons for budget variances

Changes from the approved budget to the final budget

In terms of Section 53(3) of the PFMA, a Public entity may not accumulate surplus funds without approval from National Treasury. The approval was sought and granted for surplus funds related to 2018/19 financial year to an amount of R57.8 million. The surplus funds were used to adjust the mid-term budget and utilised within the financial year 2019/20.

Other changes made to the approved budget were as a result of reclassification of funds within the various expenditure line items, to ensure that funds efficiently and effectively used.

Revenue from exchange transactions

Rendering of services was below the projected income by R8.1 million (55.7%), due to reduced demand on discretionary services offered by the CCMA.

Other income of R1.1 million (100%) was not budgeted. This income is derived from insurance recoveries; staff debts etc. that is not core activities of the CCMA.

Interest received on investment income was higher than projected income by R1.7 million (14.4%) due to favourable interest received on funds invested with the banks.

Figures in Rand	2020	2019 Restated*

Revenue from non-exchange transactions

Government grant and subsidies, increased by R1.9 million (0.2%) as a result of additional funding received from the Department of Employment and Labour to assist with conscientious objectors for the financial year 2019/20.

Expenditure

The overall expenditure for the period ending 31 March 2020 was R1.053 billion (99.3%) of the approved budget. R5.7 million (0.7%) of the approved budget was not used during the financial year 2019/20.

Employee related costs were less than the projected cost by R10.3 million (1.9%) due to vacancies on the approved structure not filled at year-end.

Administration expenses reported a saving of R8.6 million (5.0%) due to delay in the procurement process on planned projects and printing costs.

Depreciation and amortisation expenditure for the year exceeded the budget by R9.9 million (49.8%). This was mainly attributed to increased acquisitions of assets during the financial year.

Finance cost exceeded budget by R205 thousand (205.4%) due to the lease contracts coming to an end in the financial year 2019/20.

Bargaining councils subsidies expenditure exceeded budget by R183 thousand (3.2%) due to increased case load resulting in more claims being submitted from the councils for reimbursement.

Operating expenditure exceeded the budget by R533 thousand (0.2%) due to the increased case load of the CCMA. The increase resulted in the higher utilisation of part-time commissioner and other related variable costs such as travel and accommodation to enable the commissioners to hear cases referred to the CCMA.

Loss on foreign exchange to an amount of R1.4 million (100%) was not budgeted for in the financial year 2019/20. This was as a result of expenditure denominated foreign currency not been being translated to the spot rate at year end.

A loss on disposal on assets to an amount of R182 thousand (100%) was not budgeted for. The loss was realised as a result of the loss/theft of assets during the financial year 2019/20.

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CCMA
COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

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