

CONTENTS

Vision, Mission an	d Functions	
Message from the	Governing Body Chairperson	
CCMA Governanc	е	į
Director's Report		8
Progress Against S	Strategic Focus Areas	12
broadening out	e CCMA in the labour market (intensifying and utreach), where social justice and restoring occus of our processes	12
	ance, high impact delivery of compliant services, a balance between quality and quantity	1
Reposition the needs of the o	e organisation to meet the future strategic organisation	19
	entrench internal processes and systems ctive deployment of resources	22
Accredited Bargain	ning and Statutory Councils	24
Essential Services	Committee Report	27
Auditor-General R	eport	30
Governing Body S	tatement of Responsibility	33
Financial Report		3
Statement of Finar	ncial Performance	36
Statement of Finar	ncial Position	37
Statement of Char	nges in Net Assets	38
Cash Flow Statem	ent	39
Accounting Policie	es	40
Notes to the Finan	icial Statement	4
Audit Committee F	Report	58

UISION, MISSION AND FUNCTIONS

Vision

We will be trusted by our Social Partners to lead and facilitate the transformation of labour relations in South Africa. We will be evaluated by the quality of our processes and the value of our mediation, judgements and decisions, as well as our ability to resolve disputes fairly.

Our ideals of social justice, equity and shared prosperity are principles that will govern everything that we do. We will be proudly South African, and will be willing to learn, and in turn to share our knowledge, skills and experience with our other African partners.

We will hold dear the principles of professionalism, integrity, service and the value of sharing trustworthy relationships – our employees and associates will be proud to build careers that are associated with the Commission for Conciliation, Mediation and Arbitration (CCMA).

Mission

The purpose of the CCMA is to promote social justice and fairness in the workplace. This will be done through the delivery of ethical, quality, innovative and cost-effective services of dispute management and dispute resolution that are in accordance with the law.

Functions of the CCMA

The CCMA's statutory functions as set in the Labour Relations Act, Number 66 of 1995 (the LRA), are divided into those which are compulsory and those which are discretionary.

The CCMA's compulsory statutory functions are to -

- · conciliate workplace disputes;
- arbitrate certain categories of disputes that remain unresolved after conciliation;
- establish picketing rules;
- facilitate the establishment of workplace forums and statutory councils;
- · compile and publish information and statistics about CCMA activities;
- · accredit and consider applications for subsidy by bargaining councils and private agencies; and
- provide support for the Essential Services Committee.

The CCMA's discretionary statutory functions are to -

- supervise ballots for unions and employer organisations;
- provide training and information relating to the primary objective of the LRA;
- · advise a party to a dispute about the procedures to follow;
- · offer to resolve a dispute that has not been referred to the CCMA; and
- · publish guidelines on any aspect of the LRA and to make rules.

Message from the Governing Body Chairperson

Message from the Governing Body Chairperson

It is with great pleasure that I report on the Commission for Conciliation, Mediation and Arbitration's (CCMA) performance for the 2007/08 financial year.

The long-serving Chairperson of the Governing Body, Mr Zwelibanzi Mntambo, resigned during the year under review in order to pursue other business ventures. The Governing Body thanks him for his dedicated service to the organisation over the past years and we wish him all the best in his future endeavours. The appointment of the new Chairperson will be finalised in the 2008/09 financial year.

The year under review has been a period of significant development and achievement for the CCMA. The Governing Body and the CCMA Senior Management made significant strides to ensure that the organisation is strategically aligned to deliver in terms of its mandate to provide speedy, accessible and low cost dispute resolution services. A new three-year strategy, called the Tsoso strategy which means in Sesotho to revive or reawaken, commenced.

Previous strategies have enabled the CCMA to migrate from its formative stage to an organisation where standards and procedures have been embedded. The next strategic phase of the CCMA journey focuses on consolidating the operational delivery, enabling the CCMA to perform and become more effective and efficient in all areas. Already in the first year of the strategy, these performance improvements are being realised.

Mr Ebrahim Patel Organised Labour Representative

Ms Tanya Cohen Organised Business Representative (Interim Governing Body Chairperson)

The past year also marks the first time that the CCMA has managed to effectively track and monitor its performance through a Scorecard aligned to strategy. The Director's performance report, which follows in this report, gives full details of this achievement. There is a popular saying that 'what gets measured is done'. This has proved true in the CCMA in the past year and the Director and her Management Team are to be congratulated on this achievement.

CCMA Social Partners require that the CCMA contribute to socio-economic development in South Africa. With the unique value-add skills and opportunities that the CCMA possesses and the new strategy, we believe the CCMA is well positioned to play a meaningful role in our labour market and country.

As the Governing Body, we are proud to support the strategic plan that will enable this learning organisation to reach its full potential. Furthermore, we are confident that the strategic measures that are being defined, together with the key targets that are set, will enable us to truly 'govern' the outputs of the CCMA in a clear and unambiguous way.

I would like to thank fellow members of the Governing Body and its sub-committees for their engagement, hard work and commitment during the year under review. Long hours have been spent dialoguing on strategy, policies, measures and performance enhancement. Your time and contribution is acknowledged and appreciated.

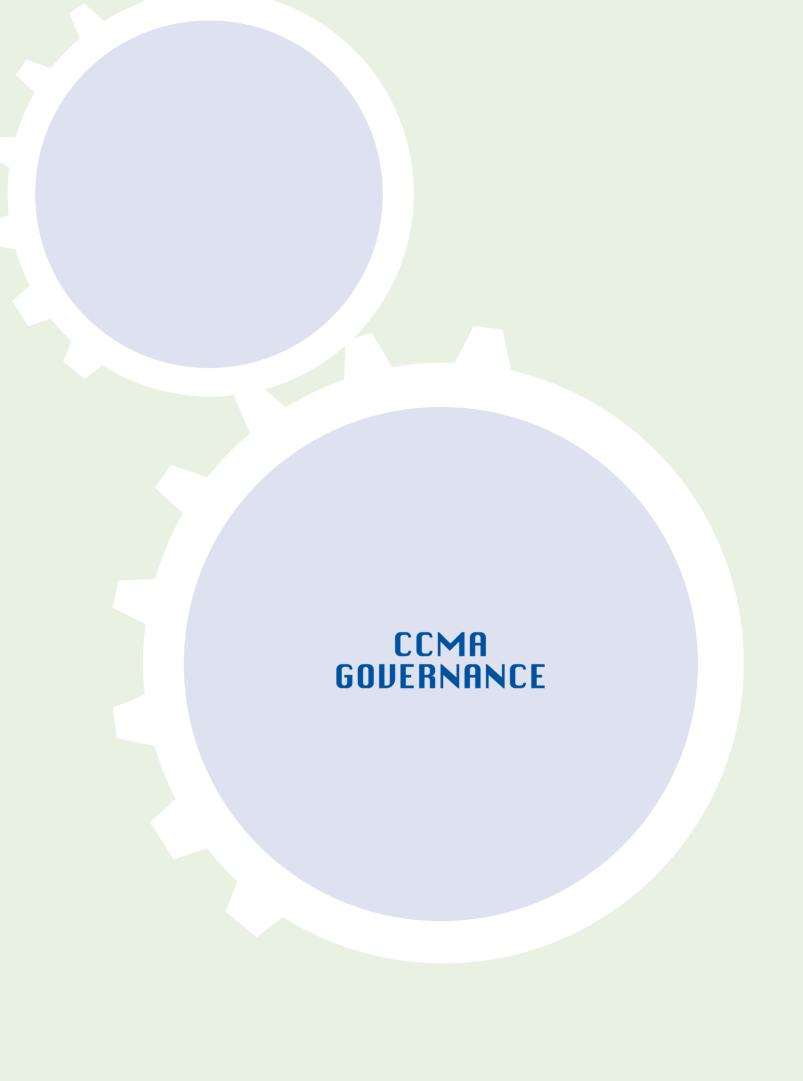
On behalf of the Governing Body and the Social Partners which we represent, I wish to convey our appreciation to Ms Nerine Kahn, the Director of the CCMA, for her contribution. Your commitment to the organisation, combined with your leadership, performance orientated approach and responsiveness to social partner concerns, deserves particular thanks.

The Director, together with her Senior Management Team, Commissioners and staff in the organisation frequently go way beyond the call of duty and we acknowledge their dedication to the CCMA. As the Governing Body, we thank you for your contribution in the past year which has enabled the CCMA to perform at such improved levels.

We encourage all stakeholders of the CCMA to embrace the new strategic plan and recommit to delivering on the important mission that the CCMA plays in the South African labour market and our democracy.

TW

Ms Tanya Cohen Interim Governing Body Chairperson



CCMA GOVERNANCE

The tripartite Governing Body is the supreme policy making and strategic executive of the CCMA. The Governing Body consists of a chairperson and nine other members, each nominated by the National Economic Development and Labour Council (NEDLAC) and appointed by the Minister of Labour.

Mr Rudi Dicks representing government, organised business and organised labour respectively, comprised the other members of the sub-committee. The sub-committee met on 26 July 2007, 1 August 2007, 22 November 2007, 15 January 2008 and 29 February 2008.

During the 2007/08 financial year the CCMA Governing Body met as follows:

Meeting Dates	Governing Body Attendees	5	Management
4 May 2007	Mr Z V Mntambo Mr T Mkalipi Mr C Milani Mr N Moloto Mr B Moabi	Mr E Patel Ms T Cohen Ms T Tabudi Mr S Rathai	Ms N Kahn Mr N Govender
12 September 2007	Mr Z V Mntambo Mr I Macun Ms M Malete Mr N Moloto Mr B Moabi	Mr E Patel Ms T Cohen Ms T Tabudi Mr S Rathai	Ms N Kahn Mr N Govender
6 December 2007	Mr T Mkalipi Ms T Tabudi Ms M Malete Mr N Moloto Mr B Moabi	Mr E Patel Ms T Cohen Mr S Rathai Mr I Macun	Ms N Kahn Mr N Govender Mr O Sekgololo
6 March 2008	Mr T Mkalipi Ms T Tabudi Ms M Malete Mr N Moloto Mr B Moabi	Mr E Patel Ms T Cohen Mr S Rathai Mr I Macun	Ms N Kahn Mr N Govender Mr O Sekgololo Ms J Lang

The members comprise three representatives from each of the following: government, organised labour and organised business. The Director of the CCMA is an ex-officio member of the Governing Body. The Governing Body meets on a quarterly basis for its usual meetings. These meetings are supplemented on an ad hoc basis where required.

Three sub-committees comprising at least one duly nominated member from each of the three stakeholder groups namely: the Human Resource Sub-Committee, the Finance Sub-Committee and the Accreditation and Subsidy Sub-Committee, assisted the work of the Governing Body during the 2007/08 financial year.

Human Resources Sub-Committee

The Human Resources Sub-Committee oversees compliance with Human Resources policies and procedures, which includes recruitment of Commissioners and management of remuneration. It also takes interest in employee development, well-being and conduct. During the year under review, Ms Tanya Cohen chaired the Human Resources Sub-Committee. Mr Thembinkosi Mkalipi, Ms Thuli Tabudi and

Finance Sub-Committee

The role of the Finance Sub-Committee is to review and ensure that the annual budget of the CCMA is appropriately accounted for in terms of National Treasury Regulations. It also has oversight of proper implementation of finance policies. During the year under review, Ms Mary Malete chaired the sub-committee from 26 November 2007, taking over from Mr Chez Milani who chaired the committee for the first few months of the financial year. Mr Thembinkosi Mkalipi and Mr David Lakay representing government and organised business respectively, comprised the other members of the sub-committee. The sub-committee met on 24 May 2007, 26 November 2007 and 22 February 2008.

Accreditation and Subsidy Sub-Committee

The Accreditation and Subsidy Sub-Committee is responsible for the accreditation of Bargaining Councils and their panellists as well as ratifying the payment of subsidies to Councils. Mr Thembinkosi Mkalipi chaired the sub-committee. Mr Borence Moabi and Mr Narius Moloto, representing organised business

CCMA GOVERNANCE

and organised labour respectively, comprised the other members of the sub-committee. The sub-committee only met on 8 February 2008.

Audit Committee

An independent Audit Committee comprising representatives of government, organised labour and organised business is appointed by the Governing Body to assist it in its work. Mr Kevin Cowley, a representative of organised business, chaired the Audit Committee. Other members during the year under review were Mr Freddie Petersen representing government, Mr John Maluleke and Mr Moose Burger both organised labour representatives and Mr Sello Hlalele, an independent audit expert. The Audit Committee's primary role is to review the effectiveness of the internal control systems and the internal audit function of the CCMA. The office of the Auditor-General also plays an important role in this committee.



During the 2007/08 financial year the Audit Committee met as follows:

Meeting Dates	Governing Body Att	Governing Body Attendees		
17 July 2007	Mr K Cowley	Mr M Burger	Ms N Kahn	
	Mr F Petersen	Ms L Du Plessis	Mr N Govender	
	Mr S Hlalele	Mr K Lachman	Ms P Mjoli	
	Mr J Maluleke	Mr M Moodley	Mr N Reddy	
24 January 2008	Mr K Cowley Mr F Petersen Mr J Maluleke Mr M Burger		Ms N Kahn Mr N Govender Mr O Sekgololo Mr N Reddy	
31 March 2008	Mr K Cowley	Mr M Burger	Ms N Kahn	
	Mr F Petersen	Ms L Du Plessis	Mr N Govender	
	Mr S Hlalele	Ms M Steyn	Mr O Sekgololo	
	Mr J Maluleke	Mr P Stamper	Mr N Reddy	



Human Resources Sub-Committee

Seated from left: Ms Nerine Kahn - CCMA Director; Ms Tanya Cohen - Organised Business Representative

Standing from left: Mr Rudi Dicks - Organised Labour Representative; Mr Thembinkosi Mkalipi - Government Representative

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2008

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2008

During the previous financial year the CCMA developed a new and ambitious strategic plan. The plan is known as the Tsoso strategy (Tsoso is a Sesotho word meaning "revive, re-awaken"). The Tsoso strategy has been implemented to provide strategic direction for the CCMA for the period April 2007 to March 2010. The first year of this strategy has been completed during the past year.



The key highlights, achievements and challenges of the implementation of the strategy during the 2007/08 financial period are outlined in this report. In summary, it has been an encouraging and a successful year for the CCMA.

Achievement of the strategy was assessed against the CCMA scorecard. The scorecard is comprised of the three strategic goals for the CCMA. The three goals are as follows:

- Promote social justice through the professional delivery of services, while ensuring compliance with legislation at all times.
- Ensure user friendly, quality services that are delivered with speed.
- Maintain operational effectiveness while ensuring services are cost effective.

These goals have been determined by considering the expectations of our Social Partners, as well as taking into

account a 'balanced' perspective of success for the CCMA. Measures of success were determined for each of the goals and appropriate targets set for delivery by 2010.

The delivery of the strategic goals is managed through a set of Strategic Focus Areas that inform the operating plan for the CCMA for the next three years. They clearly outline specific work to be delivered and specific measures of success that need to be achieved during the next three years. These strategic focus areas are as follows:

- Reposition the CCMA in the labour market where social justice and restoring dignity are a focus of our processes.
- High performance, high impact delivery of compliant services where there is a balance between quality and quantity.
- Reposition the organisation to meet the future strategic needs of the organisation.
- Enhance and entrench internal processes and systems to ensure effective deployment of resources.

The measures are built on incrementally in the three-year period. Overall, during the financial year under review, the CCMA delivered significant achievements and met many of the targets set for the first year of the strategy.

This is, amongst other things, evidenced by the significant improvement in the quality of delivery of the dispute resolution service. The national caseload increased by 8% during the year under review. About 27% more cases were heard using the con/arb process, and 14% more processes were settled when compared to the previous year. There has been a marked improvement in the organisation meeting its statutorily defined obligations in that 97% of arbitration awards were submitted on time and the majority of conciliations were heard within the determined time frame. In summary, 86% of the set operational efficiencies were improved, met or exceeded.

The CCMA's focus on interventions in disputes of national significance also began to pay dividends. The CCMA intervened in numerous key national interest disputes during the year. For example, the South African Post Office, Pulp and Paper Sector and Pharmaceutical Sector disputes to name a few. The strategic involvement that we have begun to have in resolving the disputes related to the construction of 2010 FIFA World Cup stadiums served to re-emphasise the CCMA's relevance and mandate in the labour relations arena.

The CCMA through its participation in the Sidumo & Others v Rustenburg Platinum Mines Ltd & others (2007) 28 ILJ 2405 (CC) successfully assisted in reaffirming the CCMA's role in having discretional authority in determining the fairness of dismissal disputes, as well as avoiding substantial cost increases and delays in the delivery of dispute resolution by avoiding the application of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) becoming applicable to our processes.

Management of Human Resources

Staff turnover has significantly decreased over the past few years, and the level of confidence of our employees has begun to stabilise. This is due to improvement in working conditions and efforts made to ensure there is a proactive approach to workplace relations. Significant effort has also been invested in upgrading the training for Commissioners. Furthermore, with active support from our Social Partners we have significantly raised the recruitment standards for Commissioners. The effect of this has been the improvement in the delivery of our services.

Achievements against the Scorecard (goals and measures)

This section provides a summary of progress against each of the goals of the CCMA. The agreed targets for 2010 have been included. In addition, the targets for 2007/08 have been included and progress against these targets has been reported. The overall status for each achievement has been summarised as **Green** (met target fully), **Orange** (partially met target, or did not meet target but significant progress was made in the year), **Red** (target not met, and significant focus will need to be applied in the next year of the Tsoso strategy if the 2010 target is to be met).

	Measure	Target 2010	Target 2007/08	Achieved 2007/08	Status
GOAL 1	: Promote social justice through the pr legislation at all times.	ofessional de	elivery of services, v	while ensuring comp	liance with
1.1	By 2010, the external perception of the services delivered by the CCMA will have improved from [baseline] plus x%	Baseline plus x%	To determine the baseline and % improvement	Baseline determined (68%)	
1.2	By 2010, the CCMA will be recognised as the market leader in the field of Continuous Professional Development in the field of Labour Law. This will include defining standards for training, certifying providers of training and conducting training	To be defined	Agree objectives with key stakeholders	Engagement with Services SETA and other stakeholders; Have agreed process to determine the role of the CCMA	
GOAL 2	: Ensure user-friendly, quality services	that are deliv	ered with speed.		
2.1	By 2010, 70% of all disputes will be settled at conciliation phase	70%	60%	61%	
2.2	By 2010, there will be a material reduction in CCMA cases referred to the Labour Court (the target will be set once the 2007/08 baseline has been measured)	Baseline plus x%	To determine baseline and % reduction	Baseline determined (21%)	
2.3	By 2010, all administrative rework will be 0% (relating to data integrity errors)	0%	10%	7%	
2.4	By 2010, all process rework will be reduced by x% from the baseline set in 2007 (the target will be set once the 2007/08 baseline has been measured)	Baseline plus x%	To determine baseline and % reduction	Baseline determined (11%)	
2.5.1	By 2008, all conciliations will be conducted within the statutory time frame (30 days)	30 days	30 days	28 days	
2.5.2	By 2010, the average time to process an arbitration (from date of request to date closed) will be 60 days	60 days	74 days	42 days	
2.6	By 2010, there will be no late awards (0%)	0%	0%	Reduced from 6% to 3%	
2.7.1	By 2010, 70% of all disputes of national interest where offers of assistance are made will be settled	70%	50%	53%	
2.7.2	By 2010, 75% of all offers of assistance in disputes of national interest will be accepted by parties	75%	50%	50%	

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2008

	Measure	Target 2010	Target 2007/08	Achieved 2007/08	Status		
GOAL 3	GOAL 3: Maintain operational effectiveness while ensuring services are cost effective.						
3.1	By 2010, staff turnover will be halved from the 2007 baseline	Baseline 0.5%	To determine baseline	Baseline determined (8% baseline 5% current year)			
3.2	By 2010, key skills loss will not exceed 7%	7%	7%	Management: 11% Commissioners: 6%			
3.3	By 2010, we will be able to meet case management demands with 'normal' resource levels. This means that the case management administration will be completed with a variance of no more than 5% of planned workload	5%	5%	3%			
3.4	By 2010, a budget model will be in place that will enable funding from government based on unit cost per projected number of services. Funding to be 100% of projected services to be rendered	100%	100%	97%	•		
3.5	By 2010, the 'unit cost' for delivery of compulsory services will have stabilised to ensure that there is not more than a 5% variance from budget allocation	5%	5%	-14% (improved operational efficiencies)			

Conclusion

In the 2007/08 financial period the CCMA worked with the Social Partners to thoroughly analyse what is required to deliver the first year of the Tsoso "renewal" strategy. As summarised above, the overall achievements have been in line with expectations. We are proud of the significant shifts in delivery of our operations and feel that we are starting to deliver to the overall goal of the CCMA which is to deliver social justice. I am confident that the successes attained during the financial year under review will set a trend for the coming years.

On a personal note, the long serving Chairperson of the Governing Body, Mr Zwelibanzi Mntambo, resigned during the year under review. I would like to thank him for his guidance and commitment to the organisation over the years. Furthermore, I would like to thank the Governing Body for the strategic direction and guidance they provided to the CCMA

during the year, in particular Mr Ebrahim Patel, Ms Tanya Cohen and Mr Thembinkosi Mkalipi.

Lastly, I would like to extend my gratitude to the CCMA Management Team and staff for their role and commitment in supporting my passion for the success of the CCMA.

Nerine Kahn Director 31 July 2008

PROGRESS AGAINST STRATEGIC FOCUS AREAS

PROGRESS AGAINST STRATEGIC FOCUS AREAS

Reposition the CCMA in the labour market (intensifying and broadening outreach), where social justice and restoring dignity are a focus of our processes

The following Strategic Focus Areas were determined to ensure delivery of the goals outlined in the Director's report.

- Reposition the CCMA in the labour market (intensifying and broadening outreach), where social justice and restoring dignity are a focus of our processes.
- High performance, high impact delivery of compliant services, where there is a balance between quality and quantity.
- Reposition the organisation to meet the future strategic needs of the organisation.
- Enhance and entrench internal processes and systems to ensure effective deployment of resources.

In the year under review the CCMA took a proactive approach to the interpretation of labour law by ensuring the impact of certain legal issues was placed before the court when a significant matter relating to CCMA mandate was being considered. This was demonstrated through cases such as Sidumo & Another v Rustenburg Platinum Mines Ltd & Others (2007) 28 ILJ 2405 (CC) to ensure that the CCMA successfully re-affirmed the Commissioners' discretional power to decide the fairness in dismissal disputes and successfully avoided substantial additional costs if the PAJA became applicable to CCMA processes.

The Social Partners debating the implications of the Sidumo & Another v Rustenburg Platinum Mines
Ltd & Others (2007) 28 ILJ 2405 (CC) decision
at the 2007 Continuous Professional Development Seminar.

From Left: Ms Tanya Cohen - Organised Business Representative;
Mr lan Macun - Government Representative; Mr Rudi Dicks - Organised
Labour Representative and Ms Nerine Kahn - CCMA Director

Significant measures were also undertaken to improve the approach to the dispute resolution and mediation service. This was achieved, amongst other things, by implementing a structured approach to identify, offer assistance in and manage disputes of national interest.

A structured approach to 'after-care' for parties after disputes of national interest were settled, was also implemented. For example, in the South African Post Office, Pulp and Paper Sector and Private Security Sector. In these matters the CCMA has actively assisted in the implementation of agreements which have further enhanced workplace relations in the relevant sectors.

The CCMA, in conjunction with the Department of Sports and Recreation, initiated a process of engagement with stakeholders in 2010 Stadium construction. The objectives of the process were to improve workplace relations, enhance collective bargaining and maintain labour stability. Bilateral meetings were conducted with the stakeholders and an imbizo of all stakeholders is planned for the 2008/09 year.

It was, however, noted that despite the significant progress made in this area, better emphasis still needs to be placed on promoting the primary remedies of the LRA.

Stakeholder relations

In the year under review various initiatives were undertaken to strengthen relations with stakeholders. The Senior CCMA Leadership engaged in participative sessions with a number of key national and provincial stakeholders. These participative sessions resulted in improved relations between stakeholders in the industrial relations arena by ensuring greater accessibility of the CCMA leadership. In addition, the CCMA was able to confirm that the strategic intent was addressing the issues that were relevant to these key stakeholder groups.

Discussions were initiated with stakeholders to improve relations between the CCMA, Labour Court and Sheriffs' office. However, it is relevant to note that further engagement is required between the CCMA, the Labour Court and the Sheriffs' office to improve service delivery in respect of arbitration awards enforcement proceedings in 2008/09.

Another significant development was the establishment of a baseline for measuring the standard of customer perception of CCMA services by a process of engagement with key stakeholders.

The process to determine the objectives of the CCMA and other stakeholders regarding the delivery of certified skills programmes and qualifications in the industrial relations practice arena was finalised.

African Regional Labour Administration Centre (ARLAC) Workshop

The CCMA participated in a workshop entitled "Re-engineering Dispute Prevention and Resolution Mechanisms in Africa for Sustainable Industrial Peace". This was held in Harare, Zimbabwe on 27-31 August 2007.

The focus was on workplace dispute prevention and resolution within the context of promoting alternative dispute resolution institutions in Africa.

The workshop was arranged and hosted by the African Regional Labour Administration Centre. Representatives from business, labour, government and autonomous dispute resolution institutions (The Directorate of Dispute Prevention and Resolution, Commission for Mediation, Arbitration and Conciliation (CMAC) and CCMA) from eight countries participated. These included Lesotho, Mauritius, Namibia, South Africa, Sudan, Swaziland, Zambia and Zimbabwe.

The CCMA facilitated the sessions on "Integrated Dispute Resolution Mechanisms: Conciliation, Mediation and Arbitration" (focusing on dispute resolution systems design) and "Strategies for Promoting Dispute Prevention in the Labour Market: towards entrenching a Pro-active Preventative Culture".

The CCMA profile was also raised through participation in public awareness activities such as debates on labour market issues and research, media releases, presentations at seminars and conferences (local and international) and national and community radio broadcasts.

Information dissemination and regional co-operation

With the introduction of the web-enabled Case Management System (CMS) facility the CCMA continued to provide access to the CMS for the Department of Labour (DoL). This arrangement enables CCMA users who cannot easily access CCMA offices to get assistance from their nearest DoL offices. The CCMA continued providing ongoing support for other Dispute Resolution agencies in the SADC region in the use of CMS.

Particular focus was paid on seeking means to increase the Social Partners' confidence in the CCMA and its processes by regularly reporting significant mediation successes in the media.

International and regional co-operation on Dispute Resolution (DR) and Dispute Management (DM) was actively promoted through CCMA participation in an International DR Agencies programme in Australia and a Sub-Saharan DR and Dispute Prevention (DP) workshop in Harare, Zimbabwe.

A significant number of proactive, high impact outreach activities were conducted to raise awareness, to develop skills and to build partnerships. These were conducted with CCMA users and social partners across the country. This was achieved through the holding of 71 imbizo meetings in rural areas around the country, 37 user forum meetings in all major centres and 138 community radio sessions involving 24 different radio stations.

Significant progress was made in increasing access to the CCMA and creating awareness of our services.



Arlac Workshop On Re-engineering Dispute Prevention and Resolution Mechanisms in Africa for Sustainable Industrial Peace 27-31 August 2007

Seated third from left: Mr Jeremy Daphne - National Senior Commissioner: Capacity Building and Outreach; Standing sixth from right: Mr Afzul Soobedaar - National Senior Commissioner: Mediation

User forum meetings, community radio slots and imbizo meetings / road shows held:

Region	User forum meetings	Year plan target	Community radio sessions	Year plan target	Imbizo meetings/ roadshows	Year plan target
Western Cape	5	A minimum of 4 user forum meetings per region (quarterly), following required	[36] 21 (Voice of Cape) 3 (KC Radio) 7 (Radio Zibonele) 1 (Workers World Media) 2 (West Coast Radio) 2 (Bush Radio)	A minimum of 4 sessions held per region, following required specifications	6	A minimum of 4 imbizo / roadshows per region, with project outcomes met
Kwa-Zulu Natal	8	standards	[9] 5 (Radio Ukhozi) 1 (Radio Al-Ansaar) 2 (Hindvani Community Radio) 1 (Radio Khwezi)		2	
Eastern Cape	3		[4] 3 (Umhlobo Wenene) 1 (Umtata Unitra Community Radio)		5	
Gauteng - Johannesburg	4		0		5	
Gauteng - Pretoria	2		[16] 1 (Tuks FM) 15 (Dr Mkhari Radio)		5	
Mpumalanga	2		[26] 6 (Radio Kragbron) 5 (Nkangala Community Radio) 14 (Moutse Community Radio) 1 (Radio Ligwalagwala FM)		8	
North West	2		1		7	
Free State	4		32 (Radio Rosestad)		13	
Northern Cape	3		1 (Radio Riverside)		12	
Limpopo	4		[13] 8 (Tobela FM) 2 (Munghana Lonene FM) 1 (Phalaphala FM) 1 (Moletsi Community Rado) 1 (Capricorn FM)		8	
Total	37	40	138	40	71	40

International Agencies Meeting - Australia

The Director and
Mr Jeremy Daphne attended
the meeting of International Agency
Heads in Australia. The meeting is
an opportunity for agencies to learn
and share experiences from each other.

The Director also addressed an international conference, which preceded the meeting of the Agency Heads on the state of dispute resolution in South Africa. She also addressed a gathering of labour lawyers on the history and achievements of the CCMA in its ten year history. South Africa is the host country for this meeting in 2008.



Ms Nerine Kahn Director

High performance, high impact delivery of compliant services, where there is a balance between quality and quantity

Dispute resolution service

There was a significant improvement in operational efficiencies (response to queries and advisory services, execution of operational services) during the year under review. Key focus areas have been on settlement rate and late awards. It has been a major success to bring the agreed targets within the range for both these measures.

Some key facts to note are as follows:

- Caseload increased by 8%.
- 27% more cases were heard utilising the con/arb process.
- 14% more cases were settled.
- 97% of awards were submitted on time (improved from 94% in previous year).
- 86% of efficiencies were either improved, met or exceeded.

Summary of national operational performance:

Operational Focus	Target / Objectives	2005/06	2006/07	2007/08
Pre-conciliations heard	Hear 10% or more of all jurisdictional referrals using the pre-conciliation process	15%	16%	13%
Pre-conciliations settled	Settle 7% or more of all jurisdictional referrals using the pre-conciliation process	5%	7%	7%
Con/arbs heard	Hear 50% or more of all jurisdictional referrals using the con-arb process	40%	38%	45%
Con/arbs finalised	Finalise 80% or more of con/arbs heard	77%	82%	83%
Conciliations heard and closed	and Close 90% or more of conciliations heard (includes all 'con' type processes)		92%	93%
Conciliations heard outside 30 days	Statutory requirement to attempt to hear all conciliations within 30 days	7%	0%	0%
Settlement rate	Settle 70% or more cases across all processes	60%	63%	67%
Arbitrations finalised	Finalise 90% or more of arbitrations heard	86%	89%	91%
Late awards	Statutory requirement to issue arbitration awards within 14 days	9%	6%	3%
Postponements / adjournments	Allow for maximum of 5% postponements / adjournments of all processes heard	8%	8%	7%
Average turnaround - conciliation	Conciliation process to take place from 'activation' to 'closed' within a maximum of 30 days	45	30	28
Average turnaround - arbitration	Arbitration process to take place from arbitration referral date to 'closed' within a maximum of 74 days	79	48	42

Summary of regional performance:

% of Efficiencies met	CCMA Office
> 70%	Northern Cape
60-69%	Free State Durban Pietermaritzburg Limpopo Mpumalanga Western Cape
50-59%	None
40-49%	Johannesburg Pretoria North West Richards Bay
30-39%	Port Elizabeth East London

International Labour Organisation (ILO) Convention

In June 2007 National Senior
Commissioners Ronald Bernickow
and Eugene van Zuydam attended the
96th Annual ILO Convention in Geneva,
Switzerland. They formed part of the
Ministry of Labour team and
participated in the various committees,
including the committee that
finalised the long awaited
fishing sector convention.

A total of 67% of all disputes were settled through conciliation, the process of first instance. In excess of 98% of settlement agreements arising from these matters were complied with.

The introduction of perusal teams created a better focus on quality of awards. A similar process for perusing settlement agreements for quality was designed, but not implemented in the financial year under review.

Overall, there was significant improvement in most of the operational areas although there were still challenges in other areas. For example, despite a 50% improvement on last year's targets resulting from better management of awards rendered, the statutory target of 0% late awards for the year was not realised. Ensuring optimum turnaround time in the processing of section 143 applications (enforcement of settlement agreements and awards) also remains a challenge.

Focus on mediation

In the year under review the CCMA refocused mediation as a core business tool for resolving workplace disputes, through:

- Appointment of focused Mediation Commissioners at provincial level to facilitate the roll-out of the mediation strategy.
- Improved identification and management of national disputes.
- Identification of a group of Commissioners to deal with national disputes.
- Purposeful promotion of mediation successes both internally and externally.
- Creation of an internal environment that increasingly favours mediation, as evidenced by the increased settlement rate within the CCMA.

By taking a proactive approach to managing disputes of national interest a number of disputes in various sectors and jurisdictions were resolved. However, there was slow progress made in enhancing mediation training and research into new approaches due to under-resourcing.

Outreach initiatives

During the year under review the CCMA embarked on a number of dispute management and prevention outreach programmes. These included high impact dispute management outreach interventions on Best Practice use of the CCMA and the Law, for managers, trade unionists and advice officers. This included the holding of 147 workshops involving approximately 2,940 learners from most cities and towns in South Africa, 109 short session presentations and 25 breakfast / labour law seminars.

Strategic interventions were conducted with targeted CCMA users, including a total of 48 problem identification and problem solving bilateral briefings with individual employers and trade unions on user trends analysis.

A range of user specific requests for DM services were effectively delivered, including capacity building on workplace discipline, conflict management and application of the law regarding CCMA processes.

Some of the challenges faced in this area included uneven progress across CCMA regions in implementing the 2007/08 Dispute Management (DM) Plan due to limitations in human resource and project management capacity. There was also inadequate focus on dispute management / outreach interventions in vulnerable and high conflict sectors.

In the first eight months of the year under review the CCMA also faced a challenge in the area of Institution Building (IB). There was inadequate focus on IB generally, including engagement with and support for Bargaining Councils. The IB Department was inadequately capacitated regarding administrative and quality control systems for effective processing of Bargaining Council arbitration awards enforcement, accreditation and subsidy applications.

However, the appointment of the Institution Building Department Senior Commissioner in the last quarter of the year under review, resulted in significantly improved service delivery to Bargaining Councils due to improvement of the department's administration, quality control and support systems.

Gandhi Square Public Awareness PROGRESS AGAINST STRATEGIC FOCUS AREAS

As part of the CCMA's public awareness initiatives, the CCMA Johannesburg Office and Department of Labour staff conducted a public awareness activity in Gandhi Square, Johannesburg CBD on 25 April 2008.

Activity

The objectives were to create awareness about the rights and obligations of employees and employers in terms of labour law and best practice. To raise awareness that the CCMA services are free and to warn the public about the touts that continue to disguise as CCMA employees / officials and charge people high amounts of money when they can get access to these services for free.

> The feedback received from the public indicates that the activity had the desired impact.



Gandhi Square Public Awareness Activity



Presentation workshops, bilateral briefings and breakfast / labour law seminars:

Region	Presentation workshops	Year plan target	Bilateral briefings	Year plan target	Breakfast & labour law seminars	Year plan target
Western Cape	24	A minimum of 6 presentation	8	A minimum of 4 targeted	1	A minimum of 2 breakfast
Kwa-Zulu Natal	26	workshops held per region for	4	trade unions	2	seminars and 1
Eastern Cape	4	targeted	1	employers	0	seminar per
Gauteng - Johannesburg	5	constituencies, following required facilitation /	12	engaged per region	3	region, following required
Gauteng - Pretoria	7	presentation standards	3		1 4	specifications
Mpumalanga	14		4		1 (labour law) 2 (sunset session)	
North West	1		0		1	
Free State	12		5		1	
Northern Cape	8		8		1 (labour law) 2 1 (brunch)	
Limpopo	8		3		3 1 (CPD Regional Seminar) 1(labour law seminar)	
Total	109	60	48	40	25	30

Best Performing Dispute Management Province and Best Performing Province



Ms Nerine Kahn presenting Ms Carmen Ward (Senior Commissioner) of the Northern Cape Office with the Best Performing Province award. Northern Cape was also the Best Performing Dispute Management Province.

Most Improved Province



From left: Mr Moahloli Nyama; Mr Lekau Dibakwane; Ms Nerine Kahn and Mr Prince Kekana - Convening Senior Commissioner: Johannesburg receiving the award for Most Improved Province.

2007 CCMA Continuous Professional Development Seminar

The 2007 CCMA Continuous Professional
Development (CPD) Seminar was held at the
Wild Coast Sun in Port Alfred, Kwa-Zulu Natal on
21- 23 November. The seminar brought together a total of
250 participants including full-time and part-time
Commissioners, Governing Body members,
Bargaining Council Secretaries and other guests.

The programme, which spanned a range of topics covering all aspects of the CCMA's business, was designed to expose participants to a mix of knowledge and skills. Key sessions included a comprehensive workshop on Arbitration Guidelines, an in depth examination of the Constitutional Court judgement in the Sidumo v Rustenburg Platinum Mines matter, an analysis of the 2007 bargaining season, an introduction to Transformative Mediation and an exploration of the ethical issues in Conciliation and Mediation.

The seminar achieved an exacting balance between work and play; culminating in an Awards Ceremony and Gala Dinner with live entertainment.

Award categories and winners were as follows:

Best Performing Full-Time Commissioner



Ms Nerine Kahn handing Best Performing Full-Time Commissioner award to Commissioner Mark Thuys from the Eastern Cape Best Performing Part-Time Commissioner: Thomas Ntimbane

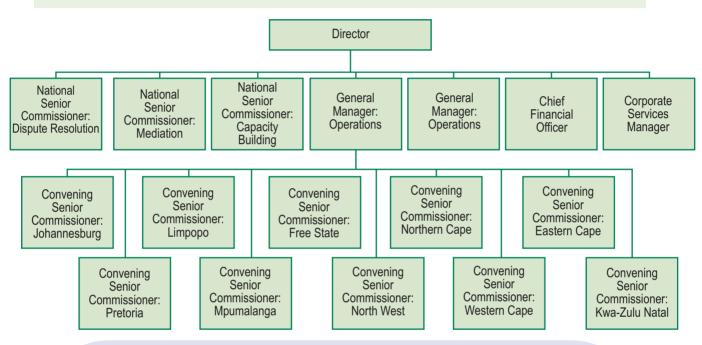
Best Performing Mediation Province: Kwa-Zulu Natal

Reposition the organisation to meet the future strategic needs of the organisation

In the year under review the CCMA embarked on a process to restructure the organisation. The introduction of the "Generation 1" organisation structure, although not fully implemented yet, has enabled better strategic focus on core CCMA activities. An executive management team was formed

and this has resulted in a better-shared understanding of the organisation's purpose and the current priorities. This has had positive effect in ensuring aligned ways of working to deliver the CCMA objectives.

National Directorate





Back row from left: Mr Eugene van Zuydam - National Senior Commissioner: Dispute Resolution;
Mr Nersan Govender - General Manager: Operations; Mr Sello Hlalele - Acting CSC: Free State;
Mr Jeremy Daphne - National Senior Commissioner: Capacity Building and Outreach; Ms Winnie Everett - CSC: Pretoria;
Mr Prince Kekana - CSC: Johannesburg; Mr Ronald Bernickow - General Manager: Operations; Mr Fred Sauls - CSC: Eastern Cape;

Front row from right: Ms Jenny Lang - Corporate Services Manager; Ms Carmen Ward - Senior Commissioner: Northern Cape; Mr Willem Connan - Acting Senior Commissioner: Northern Cape; Mr Leslie Ntuli - CSC: Mpumalanga; Ms Nerine Kahn - Director; Mr Piet Shai - CSC Limpopo; Mr Elias Hlongwane - CSC: North West; Mr Obed Sekgololo - Chief Financial Officer

PROGRESS AGAINST STRATEGIC FOCUS AREAS



Standing from left: Ms Jenny Lang - Corporate Services Manager;
Mr Nersan Govender - General Manager: Operations;
Mr Obed Sekgololo - Chief Financial Officer; Mr Ronald Bernickow - General
Manager: Operations; Mr Jeremy Daphne National Senior Commissioner: Capacity Building and Outreach

Seated from right: Mr Afzul Soobedaar - National Senior Commissioner Mediation; Ms Nerine Kahn - Director; Mr Eugene van Zuydam - National Senior Commissioner Dispute Resolution

Financial management

A zero-based budgeting methodology was implemented to ensure that the resources available to the CCMA have been appropriately allocated across the organisation. This helped to ensure that the allocation of resources is fully understood and motivated and also led to better allocation of financial resources, proper resourcing within the teams to do the day-to-day work without budget constraints.

The remuneration policy was reviewed. Salary scales had not been revised for a number of years and have now been updated. Consequently, the Governing Body approved an interim adjustment for all staff in the Bargaining Unit to ensure the salaries reflected the current market rate of pay.

Staff management

The turnover of staff has significantly decreased over the past few years, which has enabled a better sense of stability within the teams and indicates a better sense of confidence among our staff. This increased stability in our teams has resulted in the better operational delivery of CCMA objectives.

This has been enabled by providing our staff with better access to training, adjustments to salaries to be better aligned to the market. More frequent and clear communication from the Office of the Director that enable our staff to understand key achievements within the CCMA and key values that are important to the CCMA.

Through ongoing communication from the Office of the Director, enabling better direct communication to all staff, this also enabled the Director to share her interpretation of the values

of the CCMA and how these translate into the day-to-day operations within the CCMA.

There was also significant improvement in terms of labour relations between the Commission Staff Association (CSA) and Management. Relative industrial peace and sound, healthy labour relations climate prevailed within the CCMA, with emphasis placed on open, non-confrontational and continuous engagement by Management and the CSA National Negotiating Teams. The relationship between the CSA and Management went to new strengths during the past year. A new two-year agreement was signed and this has been enabled by lots of significant effort from both parties in establishing a strong basis for the ongoing relationship

Skills development

During the year under review there was great improvement in the quality of CCMA education, training and development interventions for the CCMA staff (full-time and part-time) enhancing overall CCMA capacity to deliver a professional service.

Through ongoing professional development we continued to build the skills of our people. The training carried out included facilitator and assessor training and workshops on 'Who is an Employee', 'Sexual Harassment Code of Good Practice', 'Labour Economics', 'Advanced Arbitration Skills', 'Performance Management for Employees' and 'Interpreter Empowerment'. Commissioner training and assessment materials and methods were revised and further developed, along with a quality skills development and mentoring service delivered to 55 learner Commissioners, with 53 assessed to be competent. 29 Trade Union Federations officials were also trained on the Commissioner modules.

Significant progress has been made towards the CCMA's "Transformation of Workplace Relations" project. This has



CCMA staff in training

PROGRESS AGAINST STRATEGIC FOCUS AREAS

included training for facilitators (Building Workplace Relations) and CCMA users (Managing Conflict in the Workplace). A comprehensive Leadership and Management Development Programme delivered to all CCMA management. Senior management participated in a Leadership, Planning and Project Management course and middle managers participated in Emerging Management Development Programme (EMDP), Management Advanced Programme (MAP) and Team Leadership skills programmes.

Overall, there was significant progress in the area of education and training despite inadequate capacity to develop education and training materials, as well as inadequate capacity to develop assessment methods and tools. The workplace skills plan was submitted on time. During the financial year under review staff also had ongoing access to the various benefits provided through the Employee Wellness Programme (EWP) in place. It was decided that in the next year measures will be taken to determine ways to assist staff in effectively managing conflict and diversity in the workplace. Ongoing communication will continue regarding the various counselling services that are available to our employees through the EWP.

Employment equity

In terms of employment equity, the CCMA has an employment equity plan covering the period 2006 - 2010. The tables below



New Commissioners being sworn in at the Continuous Professional Development Seminar

summarise the progress made against agreed targets during the financial year under review.

Overall, race equity targets were met, but significant improvement is required in order to meet gender targets. Continued focus needs to be placed in this area during future recruitment. In addition, other strategic initiatives need to be explored to find alternate ways of creating the pipeline of talent for the CCMA. Although work has started on determining the CCMA requirements for succession planning, not much formal progress was made in this regard during the past year.

Overall employees by gender:

	Target	Actual
Male	50%	35%
Female	50%	65%

Overall employees by race:

	Target	Actual
African	71%	73%
White	14%	11%
Coloured	8%	10%
Indian	7%	6%

Human Resources Profile:

	Target	National Management Committee Actual	Full-Time Commissioners Actual	Administrative/ Clerical Actual	Part-Time Commissioners Actual
Gender					
Female	50%	33%	31%	77%	29%
Male	50%	67%	69%	23%	71%
Race					
African	71%	42%	65%	76%	40%
White	14%	33%	19%	9%	38%
Coloured	8%	6%	10%	10%	8%
Indian	7%	18%	6%	5%	14%
Disabled	10%	0%	5%	3%	5%

Enhance and entrench internal processes and systems to ensure effective deployment of resources

Strategic appointments and performance management

During the year under review the CCMA appointed a Chief Financial Officer and Corporate Service Manager. This was in line with the implementation of "Generation 1" organisation structure, which requires the filling of executive management positions with people who have the required strategic and technical competencies.

There was significant improvement in the recruitment process for Commissioners. The selection criteria were higher than in previous years and new contracts were only considered when people clearly met the expectations of the interview panel. This recruitment process has also introduced more people at Senior Commissioner level in the National Office. This will assist in providing the ongoing strategic leadership required.

Significant emphasis was placed on creating awareness about the performance management process. We continued to implement the agreed performance management process. In order to help raise the overall level of awareness regarding the need for appropriate performance management, ten workshops were held with staff and a workshop was held with management. These workshops enabled participants to more confidently understand how to manage personal performance in the context of the CCMA processes.

A process of re-engineering of the CCMA performance management system, including 'performance contracts' was started but it was not completed during the past year. A project that will review and revise all organisation processes and job descriptions was initiated during the year under review. Performance contracts will be updated to support the delivery of these processes.

Standards of performance for commissioners were set. These have been used in the recruitment process, and have assisted in higher standards of recruitment for the current year. In addition, a mentoring programme was implemented and it has delivered significant results that demonstrated improved performance for mentees. Mentors also reported improved performance.

Systems / processes

In order to improve our systems and processes, a new enterprise system was acquired for accounting and payroll processing. This has enabled the CCMA to comply with statutory requirements.

A Supply Chain Management Unit was established and the governance policy for Supply Chain Management was approved.

Information technology

In the year under review a Business Continuity Programme was initiated and a process of updating the IT Security Policy and implementation plan were also put in place.

Through the continued analysis and research regarding network performance, an analysis of IT risks led to identifying the need to create a Virtual Private Network in order to create greater stability on our network and to create access to increased bandwidth. This will be implemented during the next financial year.

Conduct / risk management

A confidential 'Whistle-Blower' hot-line which encourages and enables staff to responsibly report on issues that they encounter in the workplace was introduced.

In line with this a process to 'relaunch' the Code of Conduct within the CCMA was initiated. This included a campaign to raise the levels of awareness of the expectations of our Social Partners and our 'users' regarding professional behaviour and ethical standards in the workplace.

A process for risk management implementation was initiated and will be finalised in the coming financial year. A fire in the National Office building highlighted the necessity for ensuring constant evaluation on risk level, which leads to speedy recovery and continued business operations.



Mr Obed Sekgololo Chief Financial Officer

ACCREDITED BARGAINING COUNCILS AND STATUTORY COUNCILS

ACCREDITED BARGAINING COUNCILS AND STATUTORY COUNCILS

The following is a breakdown of Bargaining and Statutory Councils along with the accredited functions -

Small and Medium Bargaining and Statutory Councils accredited for the period 1 June 2008 until 31 May 2009

Bargaining Councils accredited to conduct conciliations:

Name of Council

Bargaining Council for the Building Industry (Bloemfontein)

Bargaining Council for the Fishing Industry

Bargaining Council for the Furniture Manufacturing Industry (Eastern Cape)

Bargaining Councils accredited to conduct conciliations only subject to certain conditions:

Name of Council

National Bargaining Council for the Leather Industry

Bargaining Council for the Diamond Cutting Industry of South Africa

Bargaining Councils accredited to conduct conciliations and arbitrations subject to certain conditions:

Name of Council

South Africa Road Passenger Bargaining Council

National Bargaining Council for the Sugar Manufacturing and Refining Industry

Transnet Bargaining Council

National Bargaining Council for the Chemical Industry

Building Industry Bargaining Council (Southern and Eastern Cape)

Bargaining and Statutory Councils accredited to conduct conciliations and arbitrations:

Name of Council

Bargaining Council for the Building Industry Boland (North and West)

Furniture Bargaining Council

Bargaining Council for the Grain Industry

Bargaining Council for the Hairdressing and Cosmetology Trade (Pretoria)

Hairdressing and Cosmetology Services Bargaining Council (Semi National)

Hairdressing and Cosmetology Bargaining Council (Kwa-Zulu Natal)

Bargaining Council for the Tearoom, Restaurant and Catering Trade (Pretoria)

Bargaining Council for the Restaurant, Catering and Allied Trade

Bargaining Council for the Meat Trade (Gauteng)

Bargaining Council for the New Tyre Manufacturing Industry

Bargaining Council for the Canvas Goods Industry

Statutory Council for the Printing, Newspaper and Packaging Industry

ACCREDITED BARGAINING COUNCILS AND STATUTORY COUNCILS

Large Bargaining and Statutory Councils accredited until 30 November 2008

Name of Council	Accredited Function
National Bargaining Council for the Clothing Manufacturing Industry	conciliation and arbitration
Bargaining Council Contract Cleaning Industry (Kwa-Zulu Natal)	conciliation
Public Health and Social Development Sectoral Bargaining Council	conciliation and arbitration
Metal and Engineering Industries Bargaining Council	conciliation and arbitration
Motor Industry Bargaining Council	conciliation and arbitration
Bargaining Council for the Furniture Manufacturing Industry (Western Cape)	conciliation and arbitration
National Bargaining Council for the Road Freight Industry	conciliation and arbitration
Public Service Co-ordinating Bargaining Council	conciliation and arbitration
Safety and Security Sectoral Bargaining Council	conciliation and arbitration
National Bargaining Council for the Electrical Industry	conciliation
Bargaining Council for the Laundry, Cleaning and Dyeing Industry (Kwa-Zulu Natal)	conciliation and arbitration
Bargaining Council for the Furniture Manufacturing (Kwa-Zulu Natal)	conciliation
South African Local Government Bargaining Council	conciliation and arbitration
Building Industry Bargaining Council (Cape of Good Hope)	conciliation and arbitration
Amanzi Statutory Council	conciliation and arbitration
Education Labour Relations Council	conciliation and arbitration
General Public Service Sectoral Bargaining Council	conciliation and arbitration

The Director, together with a Governing Body appointed representative, conducted a series of meetings with provincial representatives of trade union federation around the country to discuss service delivery problems.





Limpopo Province meeting

North West Province meeting

ESSENTIAL SERVICES COMMITTEE REPORT

ESSENTIAL SERUICES COMMITTEE REPORT



Advocate Afzal Mosam Essential Services Committee Chairperson

In terms of section 70 of the LRA the Minister of Labour, after consulting NEDLAC, and in consultation with the Minister for the Public Service and Administration, must establish an Essential Services Committee under the auspices of the Commission.

The functions of the committee are:

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

During the year under review the Essential Services Committee comprised the following members for the term ending 31July 2009.

Advocate Afzal Mosam : Chairperson

Mr John Botha : Business Representative Mr John Mawbey : Labour Representative

The work of the committee:

During the year under review the Essential Services Committee published the following designations:

- The committee renewed the interim order for the following services provided at all airports in South Africa, until the final designation is made.
 - (a) all **electrical** services;
 - (b) all **safety** services;
 - (c) all **security** services.
- 2. Under section 71 (8) of the LRA, the Essential Services Committee gave a notice of an **interim determination** until a final determination is made that:

Immigration Officers employed by the Department of Home Affairs in grade eight and above are deemed essential.

- The Committee determined that the Legal Aid Board did not constitute an essential service
- 4. The Committee received the following applications during the financial year under review:
- Legal Aid Board: this matter was heard on 17 and 18 September 2007. The case is closed.
- Nuclear Power station: matter pending, continuation of the hearing was scheduled for 23 May 2008.
- Department of Home Affairs (Immigration Officers): matter pending, continuation of the hearing is scheduled for 11-15 August 2008.
- ACSA: matter pending, date for the hearing to be determined
- **Department of Transport:** matter pending, date for the formal hearing to be finalised.
- Afrox: matter pending, applicant was requested to submit a detailed motivation.
- Allgraine Farms: matter pending, applicant was requested to submit a detailed motivation.
- 5. The Essential Services committee in the year under review also faced an interesting challenge where a party attempted to bring an urgent application to compel it to designate a service by way of urgency. The Committee was able to persuade the court that it was already seized of the matter and the hearing was already scheduled within days of the application.

ESSENTIAL SERVICES COMMITTEE REPORT

Minimum service agreements

The following minimum service agreements in terms of section 72 of the LRA for the South African Local Government Bargaining Council were referred to the committee for ratification. These minimum service agreements have not been

ratified pending the submission of the new Framework Agreement by the South African Local Government Bargaining Council. The Essential Services Committee requested this framework to facilitate its work in ratifying such agreements.

Province	Municipality
Kwa-Zulu Natal	Uthungulu District Municipality
Limpopo	Lephalaborwa Local Municipality Makhado Municipality Mopani District Municipality

AUDITOR-GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA) FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Commission for Conciliation, Mediation and Arbitration (CCMA) which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 57.

Responsibility of the accounting authority for the financial statements

- 2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - · selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

- As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit
 Act, 2004 (Act No. 25 of 2004) (PAA), and section 58(1) of the PFMA, my responsibility is to express an opinion on these
 financial statements based on my audit.
- 4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 6. An audit also includes evaluating the:
 - · appropriateness of accounting policies used
 - · reasonableness of accounting estimates made by management
 - · overall presentation of the financial statements.
- 7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Opinion

9. In my opinion, the financial statements present fairly, in all material respects, the financial position of the CCMA as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Significant uncertainty

- 10. With reference to note 23 to the financial statements the entity could be held liable by the South African Revenue Services (SARS) for taxation as per the statutory taxation rate applicable to individuals and possible interest and penalties thereon. The entity actively engaged with SARS to determine an outcome on this matter and the amount of the obligation cannot be measured with sufficient reliability.
- 11. With reference to note 23 to the financial statements, CCMA is a defendant in a law suit. The CCMA is opposing the claim and the outcome of the case cannot presently be determined. No provision was made in the financial statements for any liability that might result however, a contingent liability of R3.5 million was disclosed in the notes to the financial statements.

Restatement of corresponding figures

12. As disclosed in note 29 to the financial statements, the corresponding figures for 2007 were restated as a result of a prior period error in the financial statements of the Commission for Conciliation, Mediation and Arbitration.

OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matter that relate to my responsibilities in the audit of the financial statements:

Matters of governance

13. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matters of governance	Yes	No
Audit committee		
The CCMA had an audit committee in operation throughout the financial year.		
The audit committee operates in accordance with approved, written terms of reference.		
The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.		
Internal audit		
The CCMA had an internal audit function in operation throughout the financial year.	Х	
The internal audit function operates in terms of an approved internal audit plan.		
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.		
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines [section 55 of the PFMA for public entities].		
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		Х
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		Х
The prior year's external audit recommendations have been substantially implemented.		Х

AUDITOR GENERAL-REPORT

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

14. I have reviewed the performance information as set out on pages 8 to 10.

Responsibility of the accounting authority for the performance information

15. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

Responsibility of the Auditor-General

- 16. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
- 17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

Audit findings

18. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

19. The assistance rendered by the staff of the Commission for Conciliation, Mediation and Arbitration during the audit is sincerely appreciated.

Johannesburg 31 July 2008



auditor-Serval

GOVERNING BODY STATEMENT OF RESPONSIBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008 BOARD MEMBERS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Governing Body is responsible for the preparation and presentation of financial statements that are relevant, reliable, complying with the relevant laws and regulations and the integrity of the information contained in the annual report.

In order for the Governing Body to discharge its responsibilities, management develops and maintains a system of internal control. The Governing Body has ultimate responsibility for the system of internal control.

The annual financial statements have been prepared in accordance with Statements of Generally Recognised Accounting Practice. These annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates.

The Governing Body has reviewed the entity's budgets and cash flow forecasts for the year ended 31 March 2008. On the basis of this review, and in view of the current financial

position, the Governing Body have every reason to believe that the entity will be a going concern in the year ahead and have continued to adopt the going concern basis in preparing the financial statements.

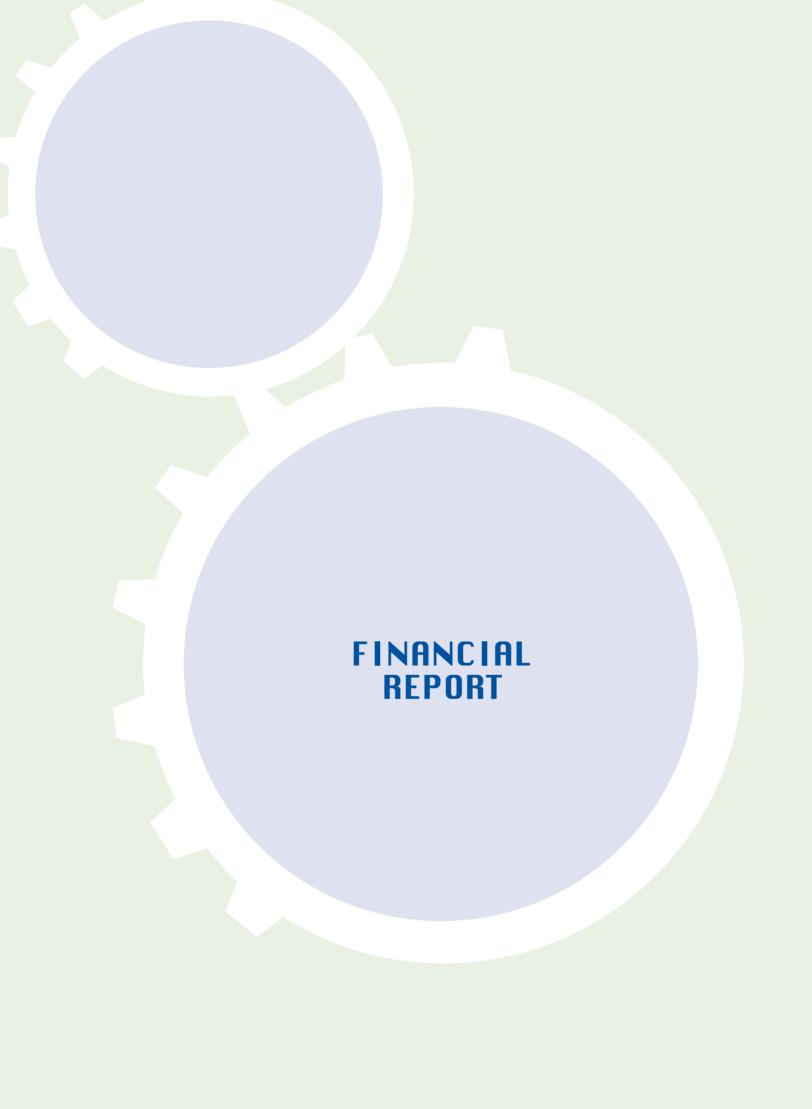
The Governing Body has reviewed the entity's systems of internal control and risk management for the period from 1 April 2006 to 31 March 2008. The Governing Body is of the opinion that the entity's systems of internal control and risk management were adequate for the period under review.

The annual financial statements for the year ended 31 March 2008, set out on pages 35 to 57 and is signed on its behalf by:

N.A.

Tanya CohenInterim Chairperson of the Governing Body
31 July 2008

Nerine Kahn Director 31 July 2008



Information Page

Legal Form CCMA was established in terms of section 112 of the

Labour Relations Act 66 of 1995.

Nature of business and principle activities.

The CCMA's compulsory statutory functions are to:

Conciliate workplace disputes;

Arbitrate certain categories of disputes that remain unresolved after conciliation; Establish picketing rules; Facilitate the establishment of workplace forums and statutory councils; Compile and publish information and statistics about our activities;

Consider applications for accreditation and subsidy by bargaining councils and private agencies; and
Provide support for the Essential Services Committee.

Jurisdiction CCMA is a national public entity under the Department of Labour.

Accounting Authority Governing Body

Head Office Business Address JCI House

28 Harrison Street Johannesburg

Head Office Postal Address

CCMA House Private Bag X 94 Marshalltown

FINANCIAL REPORT

COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 R'000	2007 Restated R'000
Revenue	2	260,263	234,582
Other income	3	509	653
		260,772	235,235
Administrative expenses	5	45,843	44,494
Staff costs	6	114,880	96,387
Subsidies	7	2,710	3,773
Other operating expenses	8	98,265	90,848
Depreciation and amortisation	9	6,824	3,980
Total expenses		268,522	239,482
Gains on sale of fixtures and equipment	4	391	64
Income from investments	10	9,097	4,592
Surplus for the year		1,738	409

COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA) STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 R'000	2007 Restated R'000
ASSETS			
Non - current assets		17,835	18,947
Fixtures and equipment	11	15,061	17,260
ntangible assets	12	2,774	1,687
Current assets		65,697	60,341
Inventories	13	599	697
Trade and other receivables	14	213	136
Prepayments and advances	15	196	1,190
Cash and cash equivalents	16	64,689	58,318
Total assets		83,532	79,288
EQUITY AND LIABILITIES			
Capital and reserves		9,518	7,780
Accumulated surplus		9,518	7,780
Non-current liabilities		27,509	9,814
Operating lease liabilities	19	6,040	3,066
Deferred revenue	20	21,469	6,748
Current liabilities		46,505	61,694
Trade and other payables	17	22,754	37,624
Provisions	18	23,751	24,070
Total equity and liabilities		83,532	79,288

Annual Report 2007/08 37



COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA) STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Accumulated Surplus R'000
Balance as at 31 March 2006		7,371
Restated net surplus for the year		409
As previously reported		(353)
Restatement	29	762
Restated balance as at 31 March 2007		7,780
Surplus for the year		1,738
Balance as at 31 March 2008		9,518



I	Notes	2008	2007 Restated
		R'000	R'000
Cash flows from operating activities Receipts		280,803	253,042
Grants Interest received Services and other receipts		270,646 9,097 1,059	244,714 4,592 3,736
Payments Employee costs Suppliers		269,089 125,997 140,382	223,973 88,420 131,981
Subsidies		2,710	3,572
Net cash flows from operating activities	22	11,714	29,069
Net cash outflow from investing activities Proceeds on disposal of fixtures and equipment Acquisition of fixtures and equipment Acquisition of intangible assets		(5,343) 391 (3,911) (1,823)	(8,840) 64 (8,356) (548)
Net increase in cash and cash equivalents		6,371	20,229
Cash and cash equivalents at beginning of the year	r	58,318	38,089
Cash and cash equivalents at end of the year	16	64,689	58,318

Annual Report 2007/08 39

1. Accounting Policies

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of Financial Statements

GRAP 2: Cash Flow Statements

GRAP 3: Accounting policies, changes in

accounting estimates and errors.

Replaced Statement of GAAP

AC10: Presentation of financial statements

AC118: Cash Flow Statements

AC103: Accounting policies, changes in

accounting estimates and errors.

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in terms presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following changes in the presentation of financial statements:

1. Terminology differences

Standard of GRAP

Statement of financial performance Statement of financial position Statement of changes in net assets

Net assets Surplus or deficit

Accumulated surplus or deficit Contribution from owners Distribution to owners

Replaced Statement of GAAP

Income statement Balance sheet

Statement of changes in equity

Equity Profit or loss Retained earnings Share capital Dividends

- 2. The cash flow statement can only be prepared in accordance with the direct method.
- 3. Specific information has been presented separately on the statement of financial position.
- 4. Amount and nature of any restrictions on cash balances is required.

Paragraph 11 - 15 of Grap 1 has not been implemented due to the fact that the local and international budget reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value or amortised costs.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

1.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discount.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.3 Expenditure

Expenditure is recognised on the accrual basis.

1.4 Retirement benefit costs

The Commission for Conciliation, Mediation and Arbitration 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 income statement in the year to which they relate.

1.5 Taxation

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

1.6 Fixtures and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The gross carrying amount of fixtures and equipment is initially measured using the historical cost basis of accounting. Subsequent expenditure relating to an item of fixtures and equipment is capitalised to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the item concerned will flow to the entity. All other subsequent expenditures are recognised as expenses in the year in which they are incurred.

Depreciation is charged so as to write off the cost or valuation of assets to its residual value over their estimated useful lives, using the straight-line method. The method and rates used are determined by conditions in the relevant industry.

Residual values and estimated useful lives are assessed on an annual basis. The effect of changes in estimates is accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of fixtures and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the surplus or deficit.

1.7 Intangible Assets

Intangible assets are stated at cost and are amortised using a straight line method over their useful life. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

1.8 Impairment

At each balance sheet date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The impairment loss is recognised in surplus or deficit.

1.9 Leasing

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

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

Annual Report 2007/08

1.10 Inventories

Inventories consisting of consumables are stated at the lower of cost and net realisable value.

Inventories are valued on the First In First Out basis.

1.11 Financial instruments

Recognition

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

Measurement

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

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', 'held-to-maturity' instruments, 'available-for-sale' financial assets, receivables and cash and cash equivalents.

· Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are highly liquid and are recorded at fair value.

Impairment of financial assets

Financial assets, other than those assets at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date.

Financial assets in the Commission for Conciliation, Mediation and Arbitration are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

1.12 Financial liabilities

Financial liabilities at fair value through surplus or deficit are stated at fair value, with any resultant gain or loss recognised in surplus or deficit. The net gain or loss recognised in surplus or deficit incorporates any interest paid on the financial liability.

The entity's principal financial liabilities are trade and other payables.

· Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract as determined in accordance with IAS 37 and also the amount initially recognised less the cumulative amortisation recognised in accordance revenue recognition policies.

· Trade and other payables

Trade and other payables are stated at their amortised cost using effective interest rate method.

1.13 Provisions

Provisions are recognised when the Commission for Conciliation, Mediation and Arbitration has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

The amount recognised as a provision is the best estimate by management of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Governments Grants

Government grants are recognised when it is probable that future economic benefits will flow to the Commission for Conciliation, Mediation and Arbitration and the benefits can be measured reliably. The grant is recognised to the extent that there are no further obligations arising from receipt of the grant.

Government grants whose primary condition is to acquire non - current assets are recognised as deferred revenue on the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

1.15 Comparatives

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

1.16 Key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Fixtures and equipment

Residual values and estimated useful lives are assessed on an annual basis. The residual values of all assets are estimated to be zero.

Item Useful life

Furniture and fittings 5 to 15 years
Office equipment 2 to 5 years
Computer equipment 3 to 5 years
Motor vehicles 5 years

Leasehold improvements

Leasehold improvements are amortised over the shorter of the assets' useful lives and the lease term.

Intangible assets

Item Useful life

Computer software 3 to 10 years

Trade and other receivables

The provision for bad debt was calculated on 100 % of debtors over 90 days.

Provisions and accruals

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

Leave pay

The provision has been determined based on total leave days outstanding. Only 30 days can be encashed, but the total leave days can be taken by employees.

Annual Report 2007/08

Litigation

This is based on the estimated costs of attorneys for completing cases against CCMA.

Cases in process

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

Bonuses

Performance bonuses are paid to employees who have rating of 3 and above.

The rating starts from 1 to 5, where 1 is poor and 5 is excellent.

1.17 Accounting pronouncement at 31 March 2008

At the date of authorisation of these financials statements, the following standards and interpretations were in issue but not yet effective:

GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interest in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after reporting date
GRAP 16	Investment Property
GRAP 17	Property Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets

GRAP101 Agriculture GRAP102 Intangible Assets

SA GAAP:

IAS 1 (revised) Presentation of Financial Statements

GRAP 24 Presentation of Budget Information in Financial Statements
GRAP100 Non-current Assets held for Sale and Discontinued Operations

IAS 23 (revised) Borrowing costs

IAS 32 (amendments) Financial Instruments: Presentation

IFRS 2 (amendments) Share-based payment IFRS 3 (revised) Business combinations

IAS 27 (revised) Consolidated and Separate Financial Statements

IFRS 8 (AC 145) Operating Segments

IFRIC 12 (AC 445) Service Concession Arrangements IFRIC 13 Customer Loyalty Programmes

IFRIC 14 The Limit on a Defined Benefit Asset, minimum funding requirements and their interaction

	Notes	2008	2007 Restated
		R'000	R'000
2.	Revenue Rendering of services National Departments Total	627 259,636 260,263	2,918 231,664 234,582
3.	Other income Seminars and other sundry income	509	653
4.	Gains on sale of fixtures and equipment Insurance recoveries Profit on disposal of asset Total	320 71 391	36 28 64
	Administrative expenses Surplus from operations is arrived at after taking the following into account: General and administrative expenses Governing Body Auditor's remuneration - Audit fees Travel and subsistence Rentals in respect of operating leases - Buildings - Fixtures and equipment - Vehicles Total Staff costs	18,379 389 183 183 4,403 22,489 19,379 2,742 368	19,091 78 854 854 3,089 21,382 18,406 2,730 246
· .	Wages and salaries Basic salaries Performance awards Temporary staff Leave Defined Provident contribution plan expense Social contributions (Employer's contributions) UIF Other salary related costs Senior managers' remuneration Total	93,578 83,920 5,480 2,213 1,965 13,476 2,747 596 2,151 5,079	81,681 66,167 11,610 2,577 1,327 10,100 1,582 477 1,105 3,024
7.	Subsidies CCMA Accredited Bargaining Councils	2,710	3,773

20	08 2007 Restated
Notes R'0	
8. Other operating costs	
Loss on theft	- 38
	65) 174
Loss on disposal of fixed asset	553 - 21 186
Training and development 9,5	7,022
Consultants, contractors and special services 76,2 Legal fees 2,1	295 71,090 133 1,278
Maintenance, repairs and running costs 3,8	5,015
1 7 0	269 382 147 4,536
- Other maintenance, repairs and running costs	151 97
Entertainment expense Case disbursement expenses 5,8	19 5 392 6,040
<u> </u>	
Total 98,2	265 90,848
9. Depreciation and amortisation	0.000
- Fixtures and equipment	3,980 520 1,665
- Vehicles	6 23
	723 224 799 (916)
- Computer software	736 2,194
Leasehold improvements 1,0	789
10. Income from investments	
Interest income - Bank deposits 9,0	97 4,592
11. Fixtures and equipment	,
Office equipment Opening net carrying amount	729 822
Gross carrying amount 1,1	2,409
	93) (1,587) 808 1,575
Disposals	- (3)
Disposal gross carrying amount	- (1,099)
Disposal accumulated depreciation Depreciation charge (5)	
Depreciation for year - as previously stated (5.	20) (544)
Opening balance adjustment Useful life adjustment	- 336 - 306
Adjustment	
Gross carrying amount – opening balance	- (1,763)
<u> </u>	729
	130 1,122 13) (393)

	2008	2007 Restated
No	otes R'000	R'000
Vehicles Opening net carrying amount	27	50
Gross carrying amount Accumulated depreciation	116 (89)	116 (66)
Additions	- (24)	-
Disposals Disposal gross carrying amount	(21) (116)	<u>-</u>
Disposal accumulated depreciation	95	- -
Depreciation charge	(6)	(23)
Depreciation for year	(6)	(23)
Net carrying amount 31 March	-	27
Gross carrying amount	95	116
Accumulated depreciation	(95)	(89)
0		
Computer equipment and peripherals Opening net carrying amount	6,922	5,754
Gross carrying amount	18,073	16,075
Accumulated depreciation	(11,151)	(10,321)
Additions	548	1,523
Disposals	-	(131)
Disposal gross carrying amount	-	(8,512)
Disposal accumulated depreciation	- (0.722)	8,381
Depreciation charge	(3,723)	(9,211)
Depreciation for year-as previously stated	(3,723)	(1,998)
Opening balance adjustment Useful life adjustment	-	(10,827) 3,614
Adjustment		8,987
Gross carrying amount - opening balance		8,987
Net carrying amount 31 March	3,747	6,922
Gross carrying amount	18,621	18,073
Accumulated depreciation	(14,874)	(11,151)
Office for the second fitting		
Office furniture and fittings Opening net carrying amount	5,635	2,772
Gross carrying amount	9,532	9,939
Accumulated depreciation	(3,897)	(7,167)
Additions	1,252	2,038
Disposals	-	(90)
Disposal gross carrying amount	-	(441)
Disposal accumulated depreciation	-	351
Depreciation charge	(799)	2,920
Depreciation for year - as previously stated	(799)	(1,178)
Opening balance adjustment	-	4,098

	2008	2007
Notes	R'000	Restated R'000
Adjustment Gross carrying amount - opening balance Net carrying amount 31 March Gross carrying amount Accumulated depreciation Leasehold Improvements Opening net carrying amount	6,088 10,784 (4,696)	(2,004) 5,635 9,532 (3,897)
Gross carrying amount Accumulated amortisation charge Additions Amortisation charge Amortisation for year - as previously stated Opening balance adjustment Net carrying amount 31 March Gross carrying amount Accumulated depreciation	4,736 (789) 1,802 (1,040) (1,040) - - - - - - - - - - - - - - - - - - -	1,516 1,516 3,220 (789) (632) (157) 3,947 4,736 (789)
Total Fixtures and equipment Opening net carrying amount Gross carrying amount Accumulated depreciation Additions Disposals Disposal gross carrying amount Disposal accumulated depreciation Depreciation charge Depreciation for year - as previously stated Opening balance adjustment Useful life adjustment Gross carrying amount - opening balance Net carrying amount 31 March Gross carrying amount Accumulated depreciation 12. Intangible assets	17,260 33,579 (16,319) 3,911 (21) (116) 95 (6,088) (6,088) 15,061 37,373 (22,312)	10,914 30,055 (19,141) 8,356 (224) (10,053) 9,828 (7,005) (4,375) (6,550) 3,920 5,219 17,260 33,579 (16,319)
Computer Software Opening net carrying amount Gross carrying amount Accumulated depreciation Additions Disposals Depreciation charge Depreciation for year - as previously stated Opening balance adjustment Gross carrying amount - opening balance Net carrying amount 31 March Gross carrying amount Accumulated depreciation	1,687 1,735 (48) 1,823 (736) (736) - 2,774 3,558 (784)	3,333 6,507 (3,174) 548 2,740 (636) 3,376 (4,934) 1,687 1,735 (48)

		2008	2007
	Notes	R'000	Restated R'000
13.	Inventories		
	Consumable stores	599	697
14.	Trade and other receivables Trade receivables Less: Provision for doubtful debts Opening Balance Provisions during the year Utilised during the year	457 (296) (695) (296) 695	766 (695) (523) (174)
	Other receivables Total	161 52 213	71 65 136
15.	Prepayments and advances Staff advances Prepayments Advances Total	11 140 45 196	1 1,144 45 1,190
16.	Cash and cash equivalents Cash at bank Cash on hand Pledged Funds* Total * Pledged Funds are not available for use by the entity.	63,634 22 1,033 64,689	57,374 22 922 58,318
	As required in section 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the local banks where the bank accounts are held. The total direct or contingent liabilities of the entity in respect of guarantees that may be entered into is R962,710. The entity has a ABF facility of R 1,700,000.	494	-
17.	Trade and other payables Trade creditors Accruals:	6,379	14,881
	General expense, bargaining council and case disbursements Audit fees Skills development levy Workmen compensation Payroll creditors Learnerships and project funds Short term portion of deferred revenue Short term portion of operating lease accrual Closing balance	9,192 - 673 464 272 229 5,051 494 - 22,754	9,489 892 1,452 249 278 388 8,762 1,233 37,624

			2008	2007 Restated
		Notes	R'000	R'000
18.	Provisions			
	Leave pay Opening balance Provisions made during the year Utilisations of provisions during the year Closing balance		4,802 1,965 (456) 6,311	3,884 1,328 (410) 4,802
	Bonus Opening balance Provisions made during the year Unused amounts reversed during the year Utilisations of provisions during the year Closing balance		11,810 6,835 (2,491) (9,319) 6,835	5,575 11,810 (911) (4,664) 11,810
	Litigation claims Opening balance Provisions made during the year Utilisations of provisions during the year		600 938	330 600 (330)
	Closing balance		1,538	600
	Cases in process Opening balance Provisions made during the year Utilisations of provisions during the year Closing balance		6,858 9,067 (6,858) 9,067	8,407 6,858 (8,407) 6,858
	Total provisions Opening balance Unused amounts reversed during the year Provisions made during the year Utilisations of provisions during the year Closing balance		24,070 (2,491) 18,805 (16,633) 23,751	18,196 (911) 20,596 (13,811) 24,070
19.	Operating lease liabilities Total Liability Short - term portion Long - term portion		6,534 (494) 6,040	4,299 (1,233) 3,066
20.	Deferred revenue Opening balance Realised Deferred Short - term portion Closing balance		6,748 (6,824) 26,596 (5,051) 21,469	2,074 (317) 13,753 (8,762) 6,748

21. Retirement Benefit Obligations
The entity has made provision for provident schemes covering all employees substantially.
The funds are governed by the Pension Funds Act,1956 (Act No. 24 0f 1956).

The Commission for Conciliation, Mediation and Arbitration operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the scheme are held in funds under the control of trustees, separately from those of the entity.

As at 31 March 2008 contributions of R13,479,264 (2007: R10,380,928) due in respect of the reporting period had been paid over the scheme.

	Notes	2008 R'000	2007 Restated R'000
22. Reconciliation of net cash flows from	operating activities to surplu	s/(deficit)	
Surplus/(Deficit)		1,738	409
Adjusted for: - Interest income - Profit on sale of fixtures and equipment - Loss on sale of fixtures and equipment - Depreciation on fixtures and equipment - Decrease / (Increase) in inventories - Decrease / (Increase) in Trade and othe - Increase in operating lease liability - (Decrease) / Increase in provisions - Increase in deferred revenue - (Decrease) / Increase in payables Net cash flows from operations		(9,097) (391) 21 6,824 98 d advances 917 2,975 (320) 11,010 (11,159) 2,617	(4,592) (64) 224 3,980 (232) (184) 1,869 5,874 13,050 4,143 24,477
Interest		9,097	4,592
Net cash flows from operating activitie	es	11,714	29,069

23. Contingent liabilities

Legal matters

The entity is involved in legal cases instituted against the CCMA. Where the probability of losing the case is high, adequate provision has been made in the financial statements based on advice from legal counsel.

A number of legal cases are currently outstanding for which legal counsel has advised a 50 -50 possibility of losing. The aggregate possible exposure is estimated to be R3.5 million (2007: R2million).

South African Revenue Services (SARS)

There is uncertainty over the tax treatment applied by the CCMA for payments made to part-time commissioners and part-time interpreters.

The CCMA has met with officials from SARS. SARS is still investigating this matter and has not given any indication of the financial implications for CCMA, if any. Due to the significant uncertainty, CCMA has not provided for the possible exposure to the PAYE, penalty and interest as it cannot be determined at this stage.

24. Operating lease arrangements

The entity as lessee

At the balance sheet date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year	17,645	15,545
1 to 5 years	64,722	47,578
More than 5 years	23,166	12,717
Total	105.533	75.840

25. Commitments

Commitments

- Contracted for but not provided in the financial statements		
Total future capital commitments	1,800	819

The capital expenditure is to be financed by grants from the Department of Labour and National Treasury.

The commitments represents orders and contracts approved and placed before year end but invoiced and delivered in the new year.

			2008	2007 Restated
		Notes	R'000	R'000
26.	Directors' emoluments			
	Vincent Mntambo - Governing Body Member* - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		6 0 0 6 0	13 0 0 13 0
	Thembinkosi Mkalipi - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		0 0 0 0	0 0 0 0
	Borence Moabi - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		48 0 0 48 0	35 0 0 35 0
	Tanya Cohen - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		0 0 0 0	1 0 0 1 0
	Thuli Tabudi - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		0 0 0 0	0 0 0 0
	Ebrahim Patel - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		5 0 0 5 0	0 0 0 0
	Narius Moloto - Governing Body Member - Salary - Bonuses and performance payments - Expense allowances - Provident Fund		5 0 0 5 0	17 0 0 17 0

		2008	2007 Restated
N	otes	R'000	R'000
Chez Milani - Governing Body Member*		2	12
- Salary		0	0
- Bonuses and performance payments		0	0
- Expense allowances		2	12
- Provident Fund		0	0
Mary Malete - Governing Body Member **		12	0
- Salary		0	0
- Bonuses and performance payments		0	0
- Expense allowances		12	0
- Provident Fund		0	0
Total - Governing Body Members		78	78
Nerine Kahn - Director (From 1 Mar 06)		978	738
- Salary		735	626
- Bonuses and performance payments		0	0
- Expense allowances		133	13
- Provident Fund		110	99
Senior Management		4,542	2,429
- Salary		3,351	2,071
- Bonuses and performance payments		441	143
- Expense allowances		490	33
- Provident Fund		260	182
B	0005/00 #	5,520	3,167
- Bonuses and performance payments relate to 2006/07 and	2005/06 financial year.	441	143
Total - Senior Managers		5,079	3,024

^{*} Governing Body member resigned ** Governing Body member new appointment

2008	2007
	Restated
Notes R'000	R'000

27. Related Party transactions

Trading transactions

During the year, CCMA entered into the following trading transactions with related parties:

Service Income

3	7
1	0
0	5
12	1
0	1
19	14
200	651
2	10
2.631	2,721
18	[′] 21
2,851	3,403
1	181
256	189
0	0
257	370
	1 0 12 0 19 200 2 2,631 18 2,851

Training services to the related parties were provided at the CCMA's usual approved training list prices. The purchases were made at market prices.

		2008	2007 Restated
	Notes	R'000	R'000
28. Fruitless and wasteful expenditure			
Interest charged on invoices received late.		0*	0
* Less than R1000			

29. Change in Accounting Policies, Reclassification and Restatements

Reconciliation 2007	Balance as Previously Stated	Restatement	Restated
	R'000	R'000	R'000
Statement of Financial Performance			
Revenue Other income Other operating expenses Administrative expenses	234,851 653 (90,848) (44,494)	(269)	234,582 653 (90,848) (44,494)
Depreciation and amortisation Subsidies Staff costs Gains on sale of fixtures and equipment	(5,011) (3,773) (96,387) 64	1,031	(3,980) (3,773) (96,387) 64
(Deficit) Surplus for the year	(353)	762	409
Statement of Financial Position			
Fixtures and equipment - Opening balance adjustment - accumulated dep - Opening balance adjustment - cost - Useful life adjustment	14,671 preciation	2,589 (6,550) 5,219 3,920	17,260
Intangible assets - Opening balance adjustment -accumulated depl - Opening balance adjustment -cost	3,245 reciation	(1,558) 3,376 (4,934)	1,687
Trade and other receivables Prepayments and advances Cash and cash equivalents	833 1,190 58,318	() /	833 1,190 58,318
Accumulated surplus (closing balance) Deferred revenue Operating lease liabilities	(7,018) (6,748) (3,066)	(762)	(7,780) (6,748) (3,066)
Trade and other payables Provisions	(37,355) (24,070)	(269)	(37,624) (24,070)

Notes	2008 R'000	2007 Restated R'000
Balance as Previously Stated	Restatement	Restated
R'000	R'000	R'000

Restatements

Non-current assets

The organisation compiled a new asset register effective from the 31 March 2007, the result was that the opening balances of the non-current assets were adjusted to correct the prior year error. Fixtures and equipment decreased with R1,330,829 and computer software (intangible assets) decreased with R1,558,177.

The organisation had non-current assets with a net book value of R1, which were still in use. This resulted in an adjustment to the opening balance of the accumulated depreciation of R306k and R3.6 million for office equipment and computer equipment respectively.

Revenue and Trade and other payables

The organisation restated its statement of financial position for the 2007 financial year due to prior year incorrect misappropriation between revenue and revenue received in advances.

The error was corrected by adjusting trade and other payables with R269k and the accumulated surplus (revenue) with the corresponding amount of R269k.

30. Financial instruments

The company's financial instruments consist of mainly accounts receivable, accounts payable and bank facilities.

Fair values

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

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

Credit risk management

The entity's cash and cash equivalents are placed with high quality financial institutions. The entity does not have any significant exposure to any individual customer.

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

2007	2008	
Restated		
R'000	R'000	Notes

Liquidity risk management.

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

Other risks

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

Annual Report 2007/08

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT



Mr Kevin Cowley Chairperson of the Audit Committee

This report has been prepared in terms of the Treasury Regulations 3.1.13(a) and (c) of the Public Finance Management Act, 1 of 1999.

A fully independent Audit Committee, comprising representatives of the three stakeholder groups, also assists the work of the Governing Body, as stated on page 6.

The committee is generally satisfied that the CCMA Internal Audit Unit is functioning well, particularly with regard to identifying internal control weaknesses and in recommending effective control remedies. CCMA

management, in turn, responded to reported weaknesses and implemented the recommendations made to ensure more effective and efficient internal controls.

The Audit Committee has reviewed the annual financial statements audited by the Auditor-General and is satisfied that these statements fairly reflect in all material respects, the financial position of the Commission as at 31 March 2008, in accordance with the South African Statement of Generally Accepted Accounting Practice and in a manner required by the Public Finance Management Act, 1 of 1999.

The committee has also reviewed the reports of the Auditor-General and the Internal Audit Unit. In the context of the committee's understanding of the risks facing the Commission, the committee is satisfied that there are internal controls mitigating the major financial risks which are generally adequate, effective and efficient. However, there are still some weaknesses in terms of the ongoing management of certain policies and procedures, which will be closely monitored in the coming financial year.

The Audit Committee assumed the role of the Risk Committee in the year under review and monitored and reviewed the management of risk by the institution. The CCMA Governing Body has agreed that a separate Risk Committee will be constituted in the next financial year reporting to the Audit Committee on this important area in the future.



Kevin Cowley
Chairperson of the Audit Committee

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