SOCIAL JUSTICE - LABOUR PEACE

25th ANNIVERSARY

CCMA

COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

1996 - 2021

2021/22 CCMA ANNUAL REPORT

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CCMA MAKING A DIFFERENCE
2021/22 PERFORMANCE HIGHLIGHTS

CONCILIATIONS HEARD WITHIN 30 DAYS:

99.76%

(101 014/101 253)

QUALITY OF AWARDS INDEX

97.46%

97% (17 107/17 552)

SETTLEMENT RATE

73%

ARBITRATION AWARDS RENDERED WITHIN

14 DAYS

99.95%

(15 938/15 946)

23 DAYS

CONCILIATION TURNAROUND TIME

ARBITRATION AWARDS TURNAROUND TIME

85 DAYS

NUMBER OF USERS WHO ACCESSED CCMA SERVICES FROM IDENTIFIED SECTORS

(119 584)

MINING

11 666

SECURITY

44 926

DOMESTIC

15 515

AGRICULTURE

12 364

RETAIL

35 113

CASE REFERRALS INCREASED FROM

154 143 to 156 777

CCMA MAKING A DIFFERENCE
2021/22 PERFORMANCE HIGHLIGHTS

4 903
NEW USERS ACCESSED THE CCMA/BUSA WEB TOOL

JOBS SAVED:
39.86%
(18 715/46 953)

The CCMA's government grant increased from
R936 million
to
R995 million

Net surplus achieved
3.70%

Ratio of safety to cash margins achieved
1.24:1

NMW

NMWA & BCEA Referrals increased by
39%
FROM 24 215
to 33 571

PUBLIC INTEREST MATTERS (S150):
94.48% (137/145)

RETURN TO WORK INDEX (RTW):
8.35%
(3 485/41 713)

DISPUTES OF INTERESTS:
58.25%
(2 384/ 4 093)

The CCMA received **16** alleged fraudulent incidents through the CCMA Be Honest Fraud Hotline

PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered name
Commission for Conciliation, Mediation and Arbitration (CCMA)

Registered office address
JCI House, 28 Harrison Street, Marshalltown, Johannesburg, 2001

Postal address
Private Bag X94, Marshalltown, 2107

Telephone number
011 377 6650

Email address
ho@ccma.org.za

Website
www.ccma.org.za

External Auditor's Information
Name: Auditor-General South Africa
External Auditor's Address: 04 Daventry Street, Lynwood Bridge Office Park, Lynwood Manor, Pretoria, 0081

Banker's information
Name: Nedbank Ltd

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

2. LIST OF ABBREVIATIONS/ACRONYMS

ACRONYM	DESCRIPTION
4IR	Fourth Industrial Revolution
AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ALTSA	Administrative, Library and Technical Staff Association
AMCU	Association of Mineworkers and Construction Union
AO	Accounting Officer
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASAWU	Academic Staff Association of Wits University
ASB	Accounting Standard Board
ASC	Accreditation and Subsidy Committee
ATB	Across the Board
B-BBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
BCM	Business Continuity Management
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BUSA	Business Unity South Africa
CBSP	Collective Bargaining Support Processes
CCMA	Commission for Conciliation, Mediation and Arbitration
CEOSA	Consolidated Employers Organisation of South Africa
CEPPWAWU	Chemical, Energy, Paper, Printing, Wood and Allied Workers Union
CGE	Commission for Gender Equality
CMF	Compliance Management Function

CMI	Case Management Information
CMS	Case Management System
CPD	Corporation for Public Deposits
CRMPs	Compliance Risk Management Plans
CSA	Commission Staff Association
CSD	Central Supplier Database
CSR	Corporate Social Responsibility
DEL	Department of Employment and Labour
DHET	Department of Higher Education and Training
DIO	Deputy Information Officer
DMA	Disaster Management Act, 2002 (Act No. 57 of 2002)
DMP	Dispute Management and Prevention
DP&WO	Dispute Prevention and Workplace Outreach
DR	Dispute Resolution
DSD	Department of Social Development
DTIC	Department of Trade, Industry and Competition
EEA	Employment Equity Act, 1998 (Act No. 55 of 1998)
ERM	Enterprise-Wide Risk Management
ESC	Essential Services Committee
ESU	Employment Security Unit
FAWU	Food and Allied Workers Union
FTC	Full-Time Commissioner
GIWUSA	General Industries Workers Union of South Africa
GRAP	Generally Recognised Accounting Practice
GSEC	Governance, Social and Ethics Committee
GSS	Governance and Secretariat Services
HOSPERSA	Health and Other Services Personnel Trade Union of South Africa

HRC	Human Resources Committee
HSRC	Human Sciences Research Council
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IEC	Independent Electoral Commission
ILO	International Labour Organisation
IMATU	Independent Municipal and Allied Trade Union
IO	Information Officer
LRA	Labour Relations Act, 1995 (Act No. 66 of 1995)
MNT	Management Negotiating Team
MOU	Memorandum of Understanding
MSA	Minimum Service Agreement
MSD	Minimum Service Determination
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NASA	National Association of South Africa
NEDLAC	National Economic Development and Labour Council
NEHAWU	National Education, Health, and Allied Workers Union
NMW	National Minimum Wage
NMWA	National Minimum Wage Act, 2018 (Act No. 9 of 2018)
NQF	National Qualification Framework
NT	National Treasury
NUFBWSAW	National Union of Food Beverages Wine Spirits and Allied Workers
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
OHS	Occupational Health and Safety
PC	Procurement Committee
PDA	Protected Disclosure Act, 2000 (Act No. 26 of 2000)

PFMA	Pubic Finance Management Act, 1999 (Act No. 1 of 1999)
POPIA	Protection of Personal Information Act, 2013 (Act No. 4 of 2013)
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
PPSA	Public Protector South Africa
PSC	Provincial Senior Commissioner
PTC	Part-Time Commissioner
RSC	Regional Senior Commissioner
REMCO	Remuneration Committee
RTW	Return-To-Work
SAC	Single Adjudication Committee
SACCAWU	South African Commercial, Catering and Allied Workers Union
SACWU	South African Chemical Workers Union
SAEFA	South African Engineers and Founders Association
SAHRC	South African Human Rights Commission
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SAPS	South African Police Services
SBD	Standard Bidding Documents
SCM	Supply Chain Management
SDA	Skills Development Act, 1998 (Act No. 97 of 1998)
SEIFSA	Steel and Engineering Industries Federation of Southern Africa
SETA	Sector Education and Training Authority
SOP	Standard Operating Procedure
TERS	Temporary Employer/Employee Relief Scheme
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund
YTD	Year-to-date

3. FOREWORD BY THE CHAIRPERSON

3.1. INTRODUCTION

The 2021/22 financial year was a challenging financial year for the world at large, as the COVID-19 pandemic continued to negatively impact the socio-economic climate and posed a great threat to life and health. As government funds were re-directed to combating the COVID-19 pandemic, the consequence for all government departments and public entities, including the CCMA, was budget reductions.

These reductions exerted tremendous pressure on the CCMA to continue to ensure service delivery due to a heavily constrained budget. Also, service delivery was expected to be delivered amidst the varying COVID-19 pandemic lockdown restrictions.

Despite these trials and tribulations, I am proud that the CCMA rose to the occasion to ensure that its mandate of expeditious dispute resolution, prevention and management remained uncompromised, especially at a time when the labour market needed the CCMA's support the most in ensuring labour peace and equity.

It is therefore my absolute honour to present the CCMA's Annual Report and the Annual Financial Statements (AFS) for the financial year ending 31 March 2022, on behalf of the CCMA's Governing Body.

3.2. HIGH – LEVEL PERFORMANCE

The 2021/22 financial year marked the second year of the implementation of the CCMA's five (5) year Strategic Plan, the Imvuselelo – The Revival Strategy. The 2021/22 Annual Performance Plan (APP) continued to ensure that the CCMA delivered on its strategic focus which is grounded on three (3) strategic pillars. These pillars are: optimisation of the organisation, enhancing labour market stability, effective and efficient strategy implementation and good governance. Furthermore, the CCMA continued to contribute towards government priorities as outlined in the Medium-Term Strategic Framework (MTSF) targets.

The 2021/22 APP included a total of 32 output indicator targets that were to be achieved. It is my great pleasure to express that all 32 targets were achieved, translating to 100% performance. Of importance to mention is that the CCMA met its set statutory targets of conciliations and arbitration, as well as all the planned activities of the Essential Services Committee (ESC).

3.3. CHALLENGES ENCOUNTERED

The COVID-19 pandemic and financial constraints have already been highlighted as the two (2) leading challenges for the CCMA during this reporting period. These challenges demanded of the CCMA to adjust its operating model and reduce expenditure in certain line items. The 2021/22 APP was adjusted, User walk-ins were suspended and the utilisation of Part-Time Commissioners (PTC) was minimised for certain periods of the financial year.

These challenges however provided the CCMA with the opportunity to review how it conducts its operations in line with the strategic pillar of optimising the organisation. The CCMA introduced new streams of digital offerings, such as the *e-Referral* and the CCMA mobile application, *the CCMAConnect*, which provided platforms for case referrals. Furthermore, the CCMA also introduced and conducted web-based hearings. These digital platforms are future-proof for the CCMA of the 21st century.

3.4. STRATEGIC RELATIONSHIPS

The CCMA continued to manage existing mutually beneficial strategic relationships with like-minded organisations in the pursuit of co-ordinated efforts in serving the labour market more efficiently. I would like to thank all our strategic partners for their relentless support and partnership during the 2021/22 financial year.

During the 2021/22 financial year, the CCMA concluded a new partnership with the South African Local Government Association (SALGA). The partnership with SALGA is particularly important in that, amongst others, it will increase the CCMA's footprint in areas where the CCMA does not have physical offices. Through the utilisation of SALGA's municipal offices for selected CCMA processes, the CCMA will be more accessible and closer to a vast reach of its Users. Another partnership that was initiated was with the Department of Social Development (DSD), which also seeks to extend the CCMA's accessibility. Furthermore, engagements took place between the CCMA and the Commission for Employment Equity (CEE) to conclude a Memorandum of Understanding (MOU) aimed at enhancing the implementation of the Employment Equity Act, 1998 (Act No. 55 of 1998) (EEA) and any other related Employment Equity (EE) legislated matters.

3.5. GOVERNING BODY MATTERS

The Governing Body is the Accounting Authority of the CCMA with the primary responsibility of governing the CCMA. As a custodian of corporate governance, the Governing Body sets the ethical tone and emphasises the need to embed a culture of good governance to avert possible governance failures by the organisation.

Governance within the CCMA is guided by the enabling legislation and best practice such as the King IV on Good Corporate Governance. The Governing Body and its Committees continued to exercise adequate oversight over the affairs of the CCMA with regular meetings convened during the 2021/22 financial year. The Governing Body and its' Committees successfully executed their respective mandates and ensured that all activities set out in the respective 2021/22 Work Plans were implemented. I am proud to indicate that the CCMA's governance status is in good standing, due to the commitment and support of members of the Governing Body and Committees.

3.6. THE STRATEGIC FOCUS OVER THE MEDIUM-TO LONG-TERM PERIOD

Many lessons were learnt from the 2021/22 financial year. We anticipate that the caseload will grow to 185 929 in the 2022/23 financial year. We will continue to ensure that the CCMA is optimally positioned to respond to the expected caseload increment.

Trends also suggest that labour unrest is to be expected in the 2022/23 financial year, therefore, the proactive dispute management and prevention mechanisms of the CCMA will need to be intensified in the quest to maintain labour peace. The socio – economic indicators predict that South Africa will still grapple with unemployment in the 2022/23 financial year. These aspects resultantly call for the CCMA's continued undertaking of its job-saving mandate.

3.7. ACKNOWLEDGEMENTS/APPRECIATION

I am grateful to the Portfolio Committee on Employment and Labour and the Ministry of Employment and Labour for their unwavering support to the CCMA cause. Gratitude is extended to the Department of Employment and Labour (DEL), DEL's sister public entities, the National Treasury, social and strategic partners.

I am indebted to the Governing Body and its Committees for their continued visionary leadership and commitment to the work of the CCMA. Appreciation is extended to the Director, Management, Commissioners and all support staff for their efforts in ensuring that the CCMA remains a high performing institution. Despite the many challenges encountered during the 2021/22 financial year, you remained resilient and steadfast.

To the CCMA's Users, thank you for your patience and partnership in the 2021/22 financial year. We remain even more dedicated to serving in the coming financial year.

PROF. ENOS SENISE NGUTSHANE
CHAIRPERSON OF THE GOVERNING BODY

4. THE CCMA'S GOVERNING BODY

ENOS NGUTSHANE
CHAIRPERSON

CAMERON SELLO MORAJANE
CCMA DIRECTOR
(Ex-officio)

KAIZER MOYANE
ORGANISED BUSINESS REPRESENTATIVE

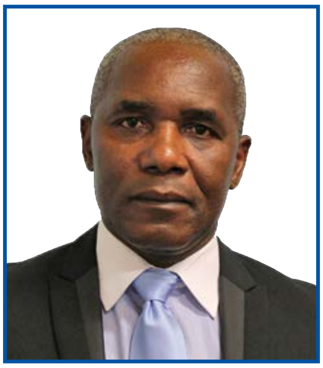
SIFISO LUKHELE
ORGANISED BUSINESS REPRESENTATIVE

SIOBHAN LEYDEN
ORGANISED BUSINESS REPRESENTATIVE

BHEKI NTSHALINTSHALI
ORGANISED LABOUR REPRESENTATIVE

NARIUS MOLOTO
ORGANISED LABOUR REPRESENTATIVE

RIEFDAH AJAM
ORGANISED LABOUR REPRESENTATIVE



THEMBINKOSI MKALIPI
GOVERNMENT REPRESENTATIVE

TSHEPO MAHLAELA
GOVERNMENT REPRESENTATIVE

CONNY MAMETJA
GOVERNMENT REPRESENTATIVE

5. DIRECTOR'S OVERVIEW

5.1. INTRODUCTION

The effects of the COVID-19 pandemic brought changes on a number of fronts, from a leadership perspective it called for one to be transformative and adaptive whilst implementing the mandate of the CCMA and from a human perspective, it called for one to be more compassionate due to the number of colleagues we have lost. With no blueprint to manage a calamity such as the COVID-19 pandemic, an economy and labour market going through turbulent times and operating with very constrained financial resources, I am exceptionally proud to present the 2021/22 Annual Report reflecting on the historic achievements of the CCMA.

5.1.1. 25th ANNIVERSARY COMMEMORATION

11 November 2021 marked the 25th anniversary of the CCMA since its founding in 1996, as brought on by the Labour Relations Act, 1995 (Act No. 66 of 1995) (the LRA), which was signed into law by the late former President Mr Nelson Mandela.

After tireless attempts at readying the CCMA's structure, the then CCMA Management Team was finally given the go-ahead by the first post-apartheid Minister of Labour, Mr Tito Mboweni, to open CCMA doors on 11 November 1996 for business, with just ten (10) offices spread across the country. 25 years later, the CCMA has a footprint of 25 offices nationwide.

As of 31 March 2022, 3 632 085 case referrals have been received since that Monday morning of 11 November 1996. The CCMA's caseload has been on an upward trajectory, with the exception of the 2020/21 and 2021/22 financial years where a slight reduction was noted. Despite the rising caseload, the CCMA consistently maintained a settlement rate of above 70% year on year, with the highest caseload being recorded in the 2019/20 financial year (221 547) and its lowest in the first year of its operation; with 62 927 total case referrals.

The CCMA's stance has over the years evolved from a dispute resolution-oriented focus to one that embraces proactive dispute prevention and management, with a focus on capacity-building programmes geared toward dispute management and prevention. One of the CCMA's proud achievements over the years has been the job-saving strategy, which has consistently yielded commendable job-saving successes. During the 2020/21 financial year, the CCMA's job-saving efforts saw 58 165 jobs saved from the138 816 likely to have been retrenched. The figure (58 165) translates to 42% jobs saved as per cases referred to the CCMA, against a set target of 20%. The 2021/22 financial year registered a 39.86% job savings rate against a set target of 38%.

The CCMA's exemplary contribution to the stability of the South African labour market over the years includes the facilitation of prominent and ground-breaking matters, such as:

a) In the 2018/19 financial year, *the Assign Services (Pty) Ltd v NUMSA* matter that related to the deeming provision. This matter ended up at the Constitutional Court where the CCMA Commissioner's decision was confirmed.
b) *The Kylie CCMA* matter dealt with the enforceability of illegal employment contracts.
c) In the 2016/17 financial year, the CCMA successfully mediated the five (5) months protracted Lonmin Mine wage dispute and unprotected strike involving Lonmin's unrepresented workers and the Lonmin Mine. The CCMA's facilitation of the wage dispute led to the matter being successfully concluded with a three (3) year agreement being drawn up between the parties.
d) In the 2016/17 financial year, the CCMA successfully concluded a labour market Accord in Phalaborwa to facilitate the R15 billion expansion of the Phalaborwa

Mine; one (1) of the largest copper mines in the world. The Accord paved the way for sustainable industrial peace and the subsequent investment in local community initiatives with the potential of employment and business opportunities.

e) The CCMA also successfully facilitated the resolution of a dispute that had spanned over a period of 15 years between the *National Health Education & Allied Workers Union (NEHAWU)* and the *University of Witwatersrand* in relation to wage disputes. The dispute was also mediated during a tumultuous time when the 'fees must fall' protests had gained traction.

f) In the 2016/17 financial year, the CCMA extended an offer of assistance in terms of Section 150 of the LRA Act to NEHAWU and Parliament in September of 2016. After several facilitated meetings the dispute was successfully resolved; and

g) In a matter between *Parastatal (National Union of Mineworkers (NUM), the National Union of Metalworkers of South Africa (NUMSA), Solidarity, United Association of South Africa (UASA)* and *Eskom*, the CCMA's intervention led to the parties concluding a single year agreement on wage increments agreed upon by both parties, saving the country from halted electricity supplies.

The role and contribution of the CCMA to the labour market cannot be considered in isolation without the role played by Bargaining Councils providing sector-based dispute resolution services and enforcing collective agreements to maintain labour peace. The CCMA currently oversees the capacitation of 37 accredited Councils and five (5) Private Agencies to expand its reach to Users.

5.1.2. 2021/22 SERVICE DELIVERY AND IMPACT

We are extremely proud to present a 100% performance against targets. This is an unprecedented performance for the CCMA. The pride is not in the achievement of the set targets, but in the overall impact the CCMA has had on the labour market. Of significance to mention is the CCMA-facilitated Section (S150) conciliation successfully concluded between Sibanye-Stillwater's Gold, the Association of Mineworkers and Construction Union (AMCU) and the National Union of Mineworkers (NUM), that resulted in a multi-year wage agreement, that saw operations resuming and employees enjoying better wages and conditions of employees. This feat is significant towards stabilising the labour market and restoring labour peace.

5.1.3. 2021/22 AUDIT OUTCOME

The CCMA, for the first time, obtained an unqualified opinion on the AFS with no material findings on performance information and compliance with laws and regulations (clean audit). Irregular, fruitless and wasteful expenditure identified and confirmed was dealt with during the financial year. *"Executive Authority, Governing Body and Committees as the Accounting Authority, Management, and all assurance providers, provided adequate oversight over the core business and internal controls they are responsible for, and this is evidenced by the improvement in the material audit findings on commitments and performance information" Auditor – General of South Africa (AGSA)*. Indeed, this tremendous outcome is attributed to the CCMA's commitment to service delivery whilst adhering to best practices of Corporate Governance and its dedication to the timeous implementation of internal and external audit recommendations. There are no words to express the pride the CCMA felt when the AGSA presented the 2021/22 AGSA Report and Management Report.

5.2. GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The CCMA receives funding from the fiscus through grant transfers from the DEL. An increase of six point three percent (6.3%) on the government grant compared to the previous year brought the total to R995 million. The interest received from investment income amounted to R6.1 million. An income of R5 million was earned from services rendered. During the mid-term budget cycle, an upward adjustment of approximately zero point six percent (0.6%) was made to the budget, this includes the additional grant allocation and approved surplus rollover from the National Economic Development and Labour Council (NEDLAC). This adjustment was to ensure the CCMA spends within its budget to remain a going concern. This was aligned with the cash deficit of R4.4 million which was reported at the end of the 2020/21 financial year.

Of the approved surplus rollover of R13 million for utilisation by the CCMA during the 2021/22 financial year, only R8 million was transferred to the CCMA. The remaining R5 million will be made available to the CCMA in the 2022/23 financial year. This is subject to the approval of the 2021/22 surplus retention by the National Treasury. The surplus rollover for utilisation by the CCMA was based on the following conditions:

a) To proactively address individual and collective disputes that arise in the workplace due to the COVID-19 pandemic including unfair dismissals, mandatory vaccinations as well as retrenchments arising out of the subsequent economic downturn.

b) As a once-off amount for systems development to improve the functioning of the call centre and the virtual/ online hearing of cases; and

c) To enforce awards arising out of the implementation of the National Minimum Wage (NMW) which has been delayed because of the COVID-19 pandemic and lockdown.

The CCMA has shown an improvement in its financial viability in response to the cash deficit reported in the

2020/21 financial year. The CCMA maintained its going concern status through sound financial management, accounting systems and practices over the last fiscal year. The organisation continues to be in a financially healthy position with cash and cash equivalents being R141.6 million, which is equivalent to a 1.2:1 cash cover ratio and a liquidity ratio of 1.3:1 as at 31 March 2022. The net asset value is reported as R73.9 million, as at 31 March 2022. The previous financial year's accumulated surplus of R35.7 million was approved for rollover by the National Treasury.

5.3. SPENDING TRENDS OF THE PUBLIC ENTITY

The total expenditure of the CCMA increased by three point one percent (3.1%) compared to the previous financial year. Several factors have contributed to the increase in expenditure. The utilisation of PTC was reduced in response to the budget cuts, as well as inflation adjustments on certain goods and services. The additional allocation received in the latter part of the 2021/22 financial year was used to adjust the allocation to case disbursement (Programme 4: Dispute Resolution and Enforcement Services) to cater for PTC fees.

Furthermore, the case disbursement increased by 21.5% in expenditure, from R148.9 million (2021) to R181 million (2022). An increase by zero point two percent (0.2%) on the compensation of employees from the previous year was realised, in line with the guidelines for compensation of employees. Goods and services reduced by one point eight percent (1.8%), the main contributing factor being variable administration costs as the services are consumed as and when required.

5.4. CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

During the 2021/22 financial year, there were legislative changes in Supply Chain Management (SCM) which had an impact on the procurement of goods and services. There were two (2) advisory notes issued titled Preferential Procurement Regulations, 2017 – Minister of Finance v Afribusiness NPC (2022) ZACC4 issued on 25 February and 3 March 2022 respectively. The advisory notes communicated by National Treasury prohibited procurement of goods and services above R30 thousand whilst National Treasury was awaiting clarity from the Constitutional Court ruling on the applicability of the 2017 Preferential Procurement Regulations, as well as the review of these regulations. There was an exemption allowance which required prior approvals for instances whereby an entity could not await the revised regulations or clarity from the Constitutional Court. The impact of this was the inability to implement projects on the 2021/22 Procurement Plan. The draft Preferential Procurement Regulations of 2022 were subsequently issued on 10 March 2022 for public comments and the closing date was 11 April 2022.

5.5. DISCONTINUED KEY ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The CCMA did not have any discontinued key activities during the 2021/22 financial year.

5.6. NEW OR PROPOSED KEY ACTIVITIES

The CCMA did not introduce any new key activities during the 2021/22 financial year.

5.7. REQUESTS FOR ROLLOVER OF FUNDS

Subject to permission being granted by the National Treasury, an amount of R30.5 million of the R141.2 million cash and cash equivalent balance will be requested for rollover and be utilised in the 2022/23 financial year to fund the reported short-term liabilities and commitments as recorded at 31 March 2022.

5.8. SUPPLY CHAIN MANAGEMENT

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

The approved 2021/22 Procurement Plan was partially executed. Projects that could not be fully executed were rolled over to the 2022/23 financial year and some were cancelled due to non-responsive bids. Quarterly procurement progress reports were submitted to the National Treasury for the tender e-portal update as required by legislation.

National Treasury issued PFMA Instruction Note No.3 of 2021/22 titled: Enhancing Compliance, Transparency and Accountability in Supply Chain Management on 31 March 2022 and this instruction note is effective from 1 April 2022. The instruction note replaces previously related instruction notes and circulars and provides a clear mandate on the responsibilities of the Accounting Officers/Authorities (AO/AA) in terms of procurement through any other means where it is impractical to follow normal procurement processes. Regulation 16 A6.4 provisions have now been fully restored to the AO/AAs. AO/AAs are now mandated to approve all forms of deviations, expansions, and variations for all values above R2 thousand, and the obligation post approvals are periodically reported to National Treasury. The provisions of this instruction note should be embedded in the Policy on SCM of the organisation. The instruction remains effective from 1 April 2022.

5.9. UNSOLICITED BID PROPOSALS

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

5.10. THE SCM PROCESSES AND SYSTEMS

The SCM Function of the CCMA has approved Standard Operating Procedure (SOPs) and policies used in day-to-day operations to ensure compliance with applicable regulations and legislation.

5.11. CHALLENGES EXPERIENCED AND HOW THEY WERE RESOLVED

Although the government grant increased by six point three percent (6.3%) from the previous financial year's allocation, an increase was based on a reduced baseline, as the government grant was reduced by R90.1 million in the 2020/21 financial year due to the COVID-19 pandemic response and government expenditure reprioritisation. Despite experiencing this challenge during the budget preparation process for the 2021/22 financial year, one of the measures the CCMA enhanced to address the impact of budget reductions was to increase the number of pre-conciliations. This has resulted in alleviating the high cost of conducting conciliations. The CCMA has also seen an increase of three percent (3%) in the settlement rate when compared to the previous financial year. Furthermore, the CCMA negotiated with suppliers for the reduction of contract costs on the essential contracts and embarked on the review of office space to reduce rental and related costs.

5.12. AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

Management has reviewed the Implementation Plan for audit issues raised in the previous year by the AGSA and concluded that action plans for findings relating to performance information and employees' declaration process were partially effective. A total of ten (10) findings needed to be resolved. Six (6) were resolved with four (4) still in progress.

5.13. OUTLOOK/PLANS MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

The additional funding of R120 million over the Medium-Term Expenditure Framework (MTEF) allocation was made available to the CCMA. The funding will be utilised to respond to the socio-economic challenges and impact of continuous increases in the Commissioner's caseload as a result of the COVID-19 pandemic.

5.14. EVENTS AFTER THE REPORTING DATE

Mr N Moloto resigned from the Governing Body with effect from 1 April 2022. Accordingly, the Minister of Employment and Labour appointed Mr W Dinwa, effective 20 April 2022, to replace Mr N Moloto. Mr V Makaleni, an independent member of the Audit and Risk Committee (ARC), resigned from the ARC on 30 April 2022. Processes of recruiting a new member are currently underway.

5.15. ECONOMIC VIABILITY

Strategies have been put in place to ensure the CCMA remains a going concern.

5.16. WORDS OF APPRECIATION

I would like to thank the Portfolio Committee on Employment and Labour, the Honourable Minister, the Honourable Deputy Minister of Employment and Labour, the Director General (DG) of the DEL, the DEL entities, the CCMA Governing Body and Committees, social and strategic partners, for their leadership, guidance and support. Admirable appreciation is extended to the Senior Management Team, Commissioners, the Commission Staff Association (CSA) and all support staff for their dedication and support. I am grateful to all of you for your support in these unprecedented times and the historical achievements registered in the 2021/22 financial year.

For 2022/23 and beyond, we continue to aspire to be one of the most excellent and most trusted public entities in South Africa and the world.

ADV. CAMERON SELLO MORAJANE
CCMA DIRECTOR

6. THE CCMA'S EXECUTIVE MANAGEMENT COMMITTEE

CAMERON SELLO MORAJANE
CCMA DIRECTOR

KEDIBONE MASHAAKGOMO
CHIEF FINANCIAL OFFICER

MTHEMBENI NCANANA
ACTING EXECUTIVE
SHARED SERVICES

ANNAH MOKGADINYANE
EXECUTIVE GOVERNANCE
& STRATEGY

MARIUS KOTZE
NATIONAL SENIOR
COMMISSIONER: DISPUTE
RESOLUTION

ZANELE HLOPHE
CHIEF AUDIT EXECUTIVE

7. THE CCMA'S PROVINCIAL SENIOR COMMISSIONERS

XOLANI NDUNA
MPUMALANGA

MPUMELELO NCONCO
GAUTENG

ELIAS HLONGWANE
NORTH WEST

CARLTON JOHNSON
WESTERN CAPE

BONGUMUSA KHUMALO
KWAZULU-NATAL

LUCKY MOLOI
FREE STATE &
NORTHERN CAPE

MORWA-MAPALE SETLAGO
LIMPOPO

MANDY COETZEE
EASTERN CAPE

8. STATEMENT OF RESPONSIBILITY

The Governing Body is required by the PFMA, to maintain adequate accounting records and is responsible for the content and integrity of the AFS and related financial information included in this report. It is the responsibility of the Governing Body to ensure that the AFS fairly present the state of affairs of the CCMA as at the end of the reporting period and the results of its operations and cash flows for the period ended. The AGSA is engaged to express an independent opinion on the AFS and are given unrestricted access to all financial records and related data.

The AFS have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB). The AFS are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Governing Body has reviewed the CCMA's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The CCMA is wholly dependent on the DEL for continued funding of operations. The AFS are prepared on the basis that the CCMA is a going concern, and that the CCMA has neither the intention nor the need to liquidate or curtail materially the scale of the CCMA.

The AFS set out on page 102 to 159, which have been prepared on the going concern basis, were approved by the Governing Body on 29 July 2022.

In our opinion, the 2021/22 Annual Report fairly reflects the operations, the performance information, the corporate governance information, the human resources information and the financial affairs of the CCMA for the financial year ended 31 March 2022.

Yours faithfully

CCMA DIRECTOR
ADV. CAMERON SELLO MORAJANE

CHAIRPERSON OF THE GOVERNING BODY
PROF. ENOS SENISE NGUTSHANE

9. STRATEGIC OVERVIEW

9.1. VISION

A world-class institution that promotes labour market stability, social justice and job security.

9.2. MISSION

To give effect to everyone's constitutional rights and freedom.

9.3. VALUES

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

TABLE 1: CORE VALUES AND OPERATING PRINCIPLES OF THE CCMA

VALUES	OPERATING PRINCIPLE
Respect	In the execution of our duties, to act with respect for all, valuing those whom we serve and those whom we work with.
Excellence	We continuously do our best in delivering on our mandate and in service to our people, executing our duties with a sense of urgency, professionalism and world-class quality.
Accountability	We hold ourselves responsible for our actions and the outcomes of our work. In being accountable, we are committed to each other and all we do and take responsibility for our actions and our performance.
Diversity	By embracing diversity and inclusivity, we learn from each other daily, while sharing and celebrating who we are and what we do. We embrace inclusivity and celebrate the differences of our people.
Integrity	We act impartial and without fear, favour or prejudice, objectively balancing the diverse needs of social partners, being honest and ethical in all we do, doing the right thing, even when no one is looking.
Transparency	We work in a manner that is open, fair and transparent. Guided by our statutory obligations and commitment, we are open in our dealings with everyone we serve.

10. LEGISLATIVE AND OTHER MANDATES

The CCMA's legislative mandate is derived principally from Section 23 of the Constitution of the Republic of South Africa (1996) and the LRA. The CCMA's mandate is derived from the purpose of the LRA, which is to advance economic development, social justice, labour peace and the democratisation of the workplace.

Section 115(1) of the LRA identifies the mandatory functions of the CCMA as follows:

a) Conciliate disputes referred to it in terms of labour statutes;
b) Arbitrate certain categories of disputes that remain unresolved after conciliation;
c) Facilitate consultations regarding large-scale dismissals due to operational requirements;
d) Conduct inquiries by arbitrators;
e) Establish picketing rules;
f) Determine disputes about demarcation between sectors and areas;
g) Facilitate the establishment of workplace forums and statutory councils;
h) Compile and publish information and statistics about its activities;
i) Review any rules made in terms of Section 115 of the LRA;
j) Consider applications for accreditation and subsidy by bargaining councils and private agencies; and
k) Administer the ESC.

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

a) Supervising ballots for unions and employer organisations;
b) Providing training on any aspect of employment law;
c) Advising a party to a dispute about the procedures to follow;
d) Offering to resolve a dispute that has not been referred to the CCMA;
e) Making rules on practice and procedure; and
f) Publishing guidelines on any aspect of the LRA.

The CCMA additionally derives its mandate from specific provisions of the EEA. Chapter 2 prohibits unfair discrimination and, in particular, Section 10, subsection (5) and (6)(a) and (b) of the EEA identifies the Loss on disposal of assets functions the CCMA is required to perform as follows:

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

The CCMA derives its jurisdiction from various sections of the Basic Conditions of Employment Act, 1997 (Act No.75 of 1997) (the BCEA). In addition, the CCMA has jurisdiction to determine certain disputes arising from the Skills Development Act, 1998 (Act No. 97 of 1998) (the SDA).

11. CCMA'S ORGANISATIONAL STRUCTURE

The CCMA's Organisational Structure for the 2021/22 financial year is hereunder presented:

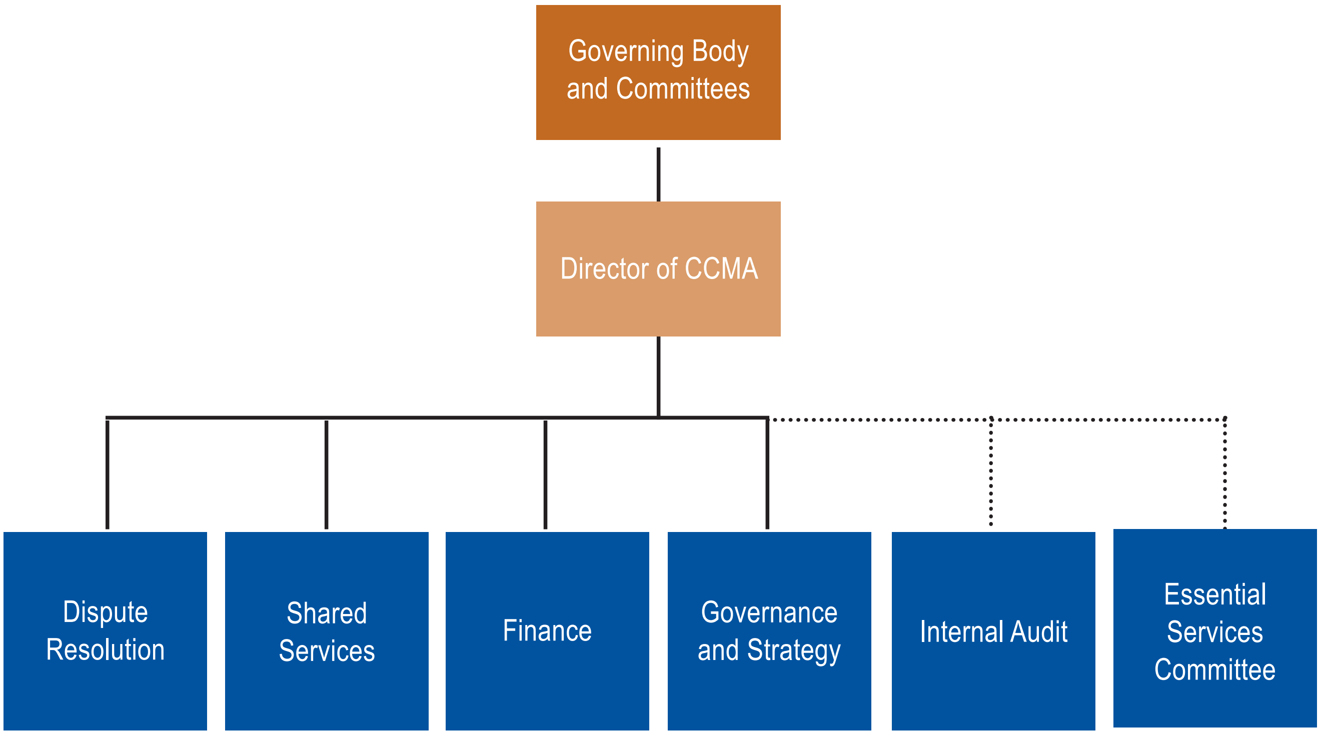


FIGURE 1: CCMA'S ORGANISATIONAL STRUCTURE

PART B

PERFORMANCE INFORMATION

1. AUDITOR’S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under Predetermined Objectives in the Report on Other Legal and Regulatory Requirements Section of the Auditor’s Report. Refer to page 98 of this Annual Report for the Report of the AGSA, published in Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. SERVICE DELIVERY ENVIRONMENT

2.1.1. PROGRAMME ONE (1): ADMINISTRATION

The focus is on the development of human and organisational capacity towards building a world-class institution. This requires a series of strategic human resource interventions aimed at attracting, developing, and retaining talent. By its very nature, the CCMA is an information-intensive organisation requiring strong, reliable, and integrated Information Management Systems.

Information and Communication Technology (ICT) is an integral facet in the value chain of the CCMA’s business and plays an important role in helping the organisation achieve its vision and deliver on its mandate. ICT should be seen as a potential driver for innovation towards the organisation’s initiatives. The realisation that ICT and the business are integrated is important because, moving forward, the organisation requires an integrated approach. ICT plays a crucial role in this transformation process.

The need for sustainable institutional effectiveness cannot be underestimated and for this to gain traction, the organisation needs to have timely, reliable and correct information to facilitate informed decisions. During the 2021/22 financial year, ICT rolled out an Automated Reporting Portal as a successor to the traditional monthly Case Management Information (CMI) report using a tool known as Microsoft Power BI (Business Intelligence). There are a myriad of reasons why the Automated Reporting Portal is important, but the most remarkable one is Power BI’s visual projection of business operations that include historical, current, and forecastable views in a singular and unified dashboard. Hence, this portal improved efficiency within the organisation and, as a result, increased productivity.

The CCMA business model does not promote the silo effect, but rather partnerships and collaboration. Riding high on the successful commissioning of an end-to-end CCMA e-referral digital platform which is integrated with the Case Management System (CMS), the 2021/22 financial year saw the commissioning of a customisable version of the current CCMA online portal which allows Bargaining Councils to tailor the platform to their own specification while retaining the essential fields and references to allow for seamless integration into the CCMA’s CMS. The system is public-facing and is designed to provide an alternative to physical walk-ins into Bargaining Councils offices by the public intending to submit referrals and in part, to respond to the digitisation efforts.

The evolving business environment triggered system enhancements to the CCMA ICT systems both on the CMS and on the CCMA e-referral digital platform to ensure both systems are future-proof for the CCMA of the 21st century.

Despite budgetary constraints, Human Resources Management has continued to enhance its delivery capability using electronic processes. The electronic processes enabled the CCMA to work mostly remotely during the COVID-19 pandemic and associated lock-downs. Following an electronic filing project, almost all employee files are now stored electronically, and this has improved retrieval as well as ensuring confidentiality of information.

The CCMA has deployed 50% of integration and automation of case disbursement processes. This aims to move towards paperless based processed which will improve efficiencies and provide quality services at a low cost to the public. A total of 97.34% was realised regarding the uptime of ICT critical systems that have been stable enough to operate continuously without total failures. Stability of the systems were maintained, utilising checklists that were monitored continuously so systems operate optimally. Furthermore, all systems were equipped with redundant components to ensure high availability and a cloud-first strategy that promotes building software directly in the cloud rather than building on-premises and migrating to the cloud is starting to pay dividends in so far as delivery on optimum uptime is concerned.

2.1.2. PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTIONS

The purpose of this programme is to transform and build relations and capacity in the workplace, respond appropriately and timeously to labour market developments through focused proactive and reactive labour market interventions for successful dispute prevention, management and workplace transformation whilst promoting and supporting social dialogue, democratisation, best employment practices and relationship building in the workplace. This is geared towards adapting to the changing needs of the labour market to improve collective bargaining and promoting orderly and healthy labour relations.

The key focus of the CCMA in this area of work is to improve its services to the labour market aimed at supporting and strengthening collective bargaining to advance labour market stability, economic development, and prioritising employment security. The CCMA provides guidance and support in collective bargaining matters by undertaking key strategic and operational initiatives that are proactive, innovative, and able to adapt to the needs of the labour market. In doing so, the CCMA seeks to improve collective bargaining and promoting orderly and healthy labour relations.

In keeping abreast with the changing needs of the labour market and conceptualising proactive and innovative initiatives to support the labour market, the CCMA conducted five (5) pre-collective bargaining conferences for strategically identified Users. Owing to the interest, demand, and positive feedback from parties in previous years, this process seeks to assist parties in preparing for the collective bargaining process before wage negotiations commence in order to add value and improve the process for collective bargaining. The benefit of undertaking these processes for strategically identified stakeholders led to the early resolution of wage and condition of employment disputes without the need for statutory conciliation, and in instances where conciliation is required to mitigate the risk of industrial action.

Collective bargaining and pre-bargaining processes were extended to and undertaken with stakeholders in the following sectors:

a) Food Retail and Beverage – *Tiger Brands at the following divisions: Tastic Division, Cullinary Mobeni, Albany Bakeries and Cullinary, Secunda and Randfontein;* and
b) Mining – *Foskor (Pty) Ltd V National Union of Mineworkers (NUM)* in Phalaborwa.

The value of these services to stakeholders cannot be overstated. Despite these processes undertaken in person during the pandemic, all safety measures and protocols were observed.

The demand and uptake for CCMA's value-added discretionary services has risen. In this regard, the CCMA experienced an increase in the number of requests and processes conducted with respect to Collective Bargaining Support Processes (CBSP). During the 2021/22 financial year, a total of eight (8) CBSPs were undertaken and finalised across various sectors. The CBSP includes pre-, during and post-wage facilitations, balloting, verification exercises and the facilitation of any outstanding issues arising from wage negotiations that if left unattended may give rise to new disputes. The support provided to and commitment of stakeholders in these processes ensured all options were explored to assist parties in an endeavour to promote labour peace across various environments.

To assist stakeholders, the following CBSPs took place during the 2021/22 financial year:

a) Wage negotiations were facilitated with the Food and Allied Workers Union (FAWU), United Association of South Africa (UASA) and the Sugar Milling and Refining Employers Association to assist parties in resolving their wage negotiations and mitigating the risk of industrial action;
b) Facilitated process conducted with the National Union of Food Beverages Wine Spirits and Allied Workers (NUFBWSAW), RSC Consulting Services and Adcorp Outsourcing Solutions to mitigate potential industrial action brought about by transfer of employees and a new union seeking recognition;
c) Facilitated process conducted with the Black Emancipation Allied Workers Union of South Africa (BEAWUSA), RSC Consulting Services and Adcorp Outsourcing Solutions with respect to the union seeking recognition;
d) Wage negotiations were facilitated between Wits University, National Union of Metalworkers of South Africa (NUMSA), Administrative, Library and Technical Staff Association (ALTSA) and Academic Staff Association of Wits University (ASAWU) that assisted to mitigate any disruption as the academic year began;
e) Wage negotiations and conditions of employment disputes were facilitated between NUMSA, NUM, Solidarity, UASA/ Steel and Engineering Industries Federation of Southern Africa (SEIFSA), and South African Engineers and Founders Association (SAEFA). Following ongoing collective bargaining support processes for Consolidated Employers Organisation of South Africa (CEOSA), parties had reached a multi-term agreement following three (3) weeks of industrial action. The Plastic Sector signed a multi-term agreement;
f) Wage agreements were successfully facilitated with NUMSA, NUM, Solidarity and Samancor Chrome Ltd (smelters);
g) Wage agreements were successfully facilitated with NUM, UASA and Samancor Chrome Ltd (mines).
h) Verification exercise processes were conducted with NUMSA to deal with organisational rights disputes of the mining contractors at Impala Platinum Mines to mitigate the risk of any industrial action and conflict. Verification exercises were finalised between NUMSA and the mining contractors;
i) Post-wage negotiations were facilitated with South African Commercial, Catering and Allied Workers Union (SACCAWU) and Mass Discounters to address outstanding issues arising from the wage dispute;
j) Wage negotiations and a conditions of employment dispute were facilitated between FAWU, General Industries Workers Union of South Africa (GIWUSA) and Clover. Ongoing collective bargaining support and section 150 processes were undertaken in collaboration with the DEL; and
k) Strike ballot processes were conducted at Sibanye Stillwaters – Gold Division with NUM and UASA at the Beatrix (Free State), Driefontein and Carletonville divisions. Section 150 and collective bargaining support process were subsequently offered and undertaken with the parties to avert industrial action.

During the 2021/22 financial year, the CCMA conceptualised and implemented nine (9) Transformation of Workplace Relations projects in targeted workplaces across the eight (8) CCMA provincial offices. These projects were planned jointly with the relevant role players in the respective workplaces. In addition, a total of eight (8) vulnerable sector projects were conceptualised and implemented in the following targeted workplaces: Agriculture, Domestic, Private Security, Retail and Mining sector respectively.

The CCMA has endeavoured to utilise its limited resources in the most effective and efficient manner to deliver on its mandate of improving workplace relations. During the 2021/22 financial year, the CCMA achieved an overall 99.79% positive rating on its participant evaluation outcomes. It is against this background that User satisfaction ratings of all the beneficiaries who attended the different capacity building and problem-solving interventions were continuously assessed and monitored.

The ESC is established in terms of Section 70 of the LRA, with its broader mandate being the investigation and designation of essential services. In delivering on this mandate, the ESC assists parties in essential services to conclude Minimum Service Agreement (MSA) and where parties do not agree, the ESC determines the minimum numbers to be maintained during industrial action. The ESC also monitors compliance of the designations and minimum numbers that are to be maintained during actions including promoting effective dispute resolution in essential services.

Section 70B(1)(b) of the LRA provides that the powers and functions of the ESC promote effective dispute resolution in essential services. During the 2021/22 financial year, the ESC engaged the following entities and unions in order to ascertain the effectiveness of the dispute resolution mechanisms:

a) Solar Power Plants v NUMSA;
b) Eskom v NUM;
c) South African Nuclear Energy Corporation (NECSA) v National Education, Health, and Allied Workers Union (NEHAWU);
d) South African National Blood Services (SANBS) v NEHAWU and Health and Other Services Personnel Trade Union of South Africa (HOSPERSA);
e) Bidvest Protea Coin v Professional Transport and Allied Workers Union of South Africa (PTAWU);
f) Nelson Mandela University v NEHAWU and National Tertiary Education Union (NTEU);
g) Amatola Water;
h) Democratic Nursing Organisation of South Africa (DENOSA);
i) Amathole District Municipality v Independent Municipal and Allied Trade Union (IMATU) and South African Municipal Workers' Union (SAMWU); and
j) The City of Cape Town v IMATU and SAMWU.

During the interventions, it was evident that some of the causes of industrial actions are due to weaknesses in collective bargaining and internal dispute resolution mechanisms. The parties seem to have more confidence in external institutions resolving their disputes than resolving such disputes themselves. There is a need to strengthen internal dispute resolution and to assist the parties in rebuilding the trust between them. The ESC in collaboration with the Dispute Resolution Department are in an engagement to assist parties in strengthening internal dispute resolution mechanisms.

Essential services are gaining momentum in South African Labour Law. During the engagements with stakeholders, the ESC noted there are several legislative provisions that require improvement. Firstly, the provisions related to how Section 72(3)(b) (5) of the LRA does not promote interest arbitrations (Section 74) in essential services. It must be understood that interest arbitrations are one of the real alternatives to industrial action in essential services. The second provision in the LRA that requires attention is Section 71(9) as it includes the provisions as set out in Section 71(1) to (8) in varying or canceling an MSA or a Minimum Service Determination (MSD), when in fact, the provisions as set out in Section 71(1) to (8) are not followed in the actual determination/agreement of minimum services.

During the 2021/22 financial year, the ESC engaged the following stakeholders to solicit inputs on the legislative changes:

a) South African Local Government Bargaining Council (SALGBC);
b) National Education, Health and Allied Workers' Union (NEHAWU);
c) CCMA; and
d) DEL.

The ESC conducted 107 MSAs facilitations in sectors that render essential services. The ESC has ratified 30 MSAs and concluded 19 MSDs.

As part of its statutory obligations, the ESC is obliged to monitor and evaluate essential service designations, minimum service agreements and minimum service determinations. The purpose of the monitoring and evaluation exercise is to ensure the parties understand that they operate in essential services and that the services in question cannot be interrupted as such interruption might result in an endangerment to life, personal safety, or health. During the 2021/22 financial year, a total of seven (7) monitoring and evaluation exercises were conducted in local government, public health, water boards and old age homes.

The ESC continued to increase awareness of essential service designations with various stakeholders. The ESC conducted a total of 12 awareness raising presentations to various stakeholders during the 2021/22 financial year.

2.1.3. PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

The reconstitution of the Temporary Employee/Employer Relief Scheme (TERS) and expedited turnaround times for consideration of applications and approval thereof, resulted in a spike in workplace based TERS applications as a proactive option to be considered before Section 189A processes are initiated. The Single Adjudication Committee (SAC) comprising the CCMA, Productivity SA, Department of Trade, Industry and Competition (DTIC) and the Unemployment Insurance Fund (UIF) continues to convene on a weekly basis to consider and expedite applications for participation in the TERS.

During the 2021/22 financial year, the CCMA received a total of 119 TERS applications. Of the 119, a total of 49 applications were defective/abandoned or withdrawn. The TERS SAC considered 70 applications. A total of 21 applications were recommended, whilst 38 were not recommended. A total of 11 applications were in process pending UIF declaration confirmations and/or calculations by the UIF. The total number of employees due to benefit from the TERS applications were recorded 2 083, at a total cost of R84.36 million to the TERS.

TABLE 2: TERS APPLICATIONS FOR THE 2021/22 FINANCIAL YEAR

TERS APPLICATIONS FOR 2021/22 FINANCIAL YEAR	
Received	119
Defective/withdrawn applications	49
Considered	70
Recommended	21
In process/under committee's consideration/finalised awaiting UIF declarations/calculations	11
Not recommended	38
Total number of employees due to benefits	2 083
Total cost of TERS funding	R84 368 321

The CCMA is empowered through Sections 189 and 189A to respectively conciliate and facilitate retrenchment matters to assist parties in exploring avenues to avoid or minimise retrenchments and alleviate the consequences thereof. The Employment Security Function oversees and provides guidance on all the CCMA's activities related to employment security and job saving, operational requirements dismissals and the TERS.

The CCMA's job-saving strategy known as the holistic approach to dealing with large-scale (Section 189A) retrenchments ensures all avenues are explored at an early stage to mitigate job losses by engaging various partner institutions that includes Productivity SA, UIF, DTIC and, where possible, relevant ministries and stakeholders to lessen the scourge of job losses. Unfortunately, the design of the legislation makes our approach to these matters reactive, whereby the CCMA only gets involved at the point of referral, where it may be too late to implement measures that may assist parties. However, the CCMA has proactively sought other avenues and will continue to do so to assist parties in large-scale retrenchment matters.

As South Africa responds to the impact of the COVID-19 pandemic, the CCMA has once again contributed to reducing the number of job losses of employees facing retrenchment. Largely regarded as no fault dismissals, any job lost due to retrenchment is one too many. However, the CCMA's remarkable achievement in saving jobs is mainly attributed to the commendable and dedicated efforts of facilitators and parties in processes to explore meaningful alternatives to avoid job losses and aid business recovery and sustainability.

The Employment Security Function, where possible, will continue to work with all partner institutions such as the Industrial Development Corporation (IDC), Productivity SA and the TERS implementation partners to save jobs and support businesses before closure and retrenchments are contemplated. This collaboration will assist companies in applying for funding from the IDC due to financial distress, and initiate business turnaround solutions through Productivity SA to avoid business closure which may lead to potential retrenchments. The support from IDC could be combined with TERS intervention to ensure employees continue receiving salaries whilst the business focuses on its journey of recovery.

During the 2021/22 financial year, the CCMA conducted four (4) post Section 189A monitoring processes to assist companies that have been through retrenchments in order to assess whether they may face similar challenges in the near future. In both instances, possibilities were explored early on to mitigate the risk of further retrenchments and provide an opportunity to monitor business sustainability. This has allowed the CCMA to proactively provide guidance and, where possible, conduct interventions to minimise further job losses.

Participation in the TERS has assisted many businesses and employees. This has provided much-needed relief and a lifeline for businesses and workers to see through very uncertain periods. The steady flow of TERS applications, albeit lower than the previous financial year, shows the support and faith in the TERS. As the labour market will continue to feel the consequences of the pandemic, the drop in TERS applications is indicative of improved economic conditions. The strategic partnership between the CCMA and Productivity SA has resulted in many businesses receiving turnaround support through the Business Turn-Around and Recovery programme to ensure they continue operating and remain viable. Strategic collaboration with other entities such as the Department of Higher Education and Training (DHET) has also contributed by ensuring employees participating in the scheme have the option for training through the Sector Education and Training Authority (SETA) for the duration or part of their participation on the TERS.

Despite slight signs of economic recovery, persistent challenges such as the rise in energy costs, infrastructural challenges, commodity price fluctuations, cheap imports and rising operational costs will inevitably be passed onto consumers and businesses. The consequences will unfortunately lead to business and employee distress that will evidently result in business closures and/or retrenchments. The CCMA witnessed changes to the nature and future of work brought about by the fourth industrial revolution and the COVID-19 pandemic that have necessitated changes to various business operational models that will inevitably affect current and future work opportunities.

Pre- and post-process monitoring allows the CCMA in collaboration with relevant institutions to identify opportunities for re-skilling and adapting to the changing nature of work. An online application process to participate on the TERS to ensure quicker processing of applications and turnaround times has been developed. Multi-stakeholder engagements, where possible, with relevant ministries, entities and all social partners will be pursued to respond to further challenges that may threaten job security.

The free-to-use Labour Advice Web Tool for Small Businesses (the Web Tool) was launched in January 2019 primarily to provide simplified labour law information for small and medium-sized businesses in the informal and formal sector (accessible via this link URL: http://smelaboursupport.org.za/). This project forms part of the Presidential Jobs Summit Framework Agreement of 4 October 2018 and is delivered by the CCMA in conjunction with Business Unity South Africa (BUSA).

In the 2021/22 financial year, this project was extended with the development of a free-to-use Mobile App (the CCMA and BUSA Labour Advice App is located on the Apple App Store and the Google Play Store) that links directly to the content of the Web Tool, making the content accessible to users on their mobile phones. The Mobile App, which was launched in November 2021, only requires data for download and page refresher purposes. The development of this Mobile App was made possible by funding sourced by BUSA from the International Labour Organisation (ILO).

The funding also made it possible for BUSA to secure dedicated human-resource capacity on a fixed-term basis to work with the service providers and the CCMA team to develop the Mobile App and to expand the content of the Web Tool. The latter includes the provision of practical guidelines relating to the prevention and management of the COVID-19 pandemic in the workplace as sourced with permission from the National Institute for Occupational Health ("NIOH") and supplemented with information on small business support interventions provided by the Department of Small Business Development, DEL and Productivity SA. Further content development focused on early dispute detection initiatives, advice on pre-conciliations, updates to identified information sheets, the addition of sectoral determinations and other forms of subordinate legislation, and the development of new material related to recruitment and contracting of employees.

During the 2021/22 financial year, 4 903 new Users accessed the CCMA/BUSA Web Tool. The increased number of Users, although still not at a level commensurate with the potential for a Web Tool of this nature, may be attributed to the successful implementation of the CCMA & BUSA Labour Advice App, marketing on various social media platforms, and the implementation of search engine optimisation software. The latter software was funded by the ILO and was implemented from 1 October 2021 to 17 November 2021.

2.1.4. PROGRAMME FOUR (4): EFFECTIVE AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES

During the 2021/22 financial year, the CCMA recorded 156 777 case referrals. This figure is 2 634 more than the 154 143 referrals received during the financial year of 2020/21.

The total number of NMWA and BCEA referrals (excluding severance pay) were recorded at 33 571 which represents an increase of 9 356 referrals compared to a total of 24 215 referrals received during the 2020/21 financial year.

The total number of referrals received that were COVID-19, lockdown or coronavirus-related (excluding mandatory vaccination cases) was recorded at 942. The increase in the number of referrals can be attributed to the relaxation of the lockdown levels and regulations during the financial year.

The figure below illustrates a comparison of the CCMA's five (5) year case referrals:

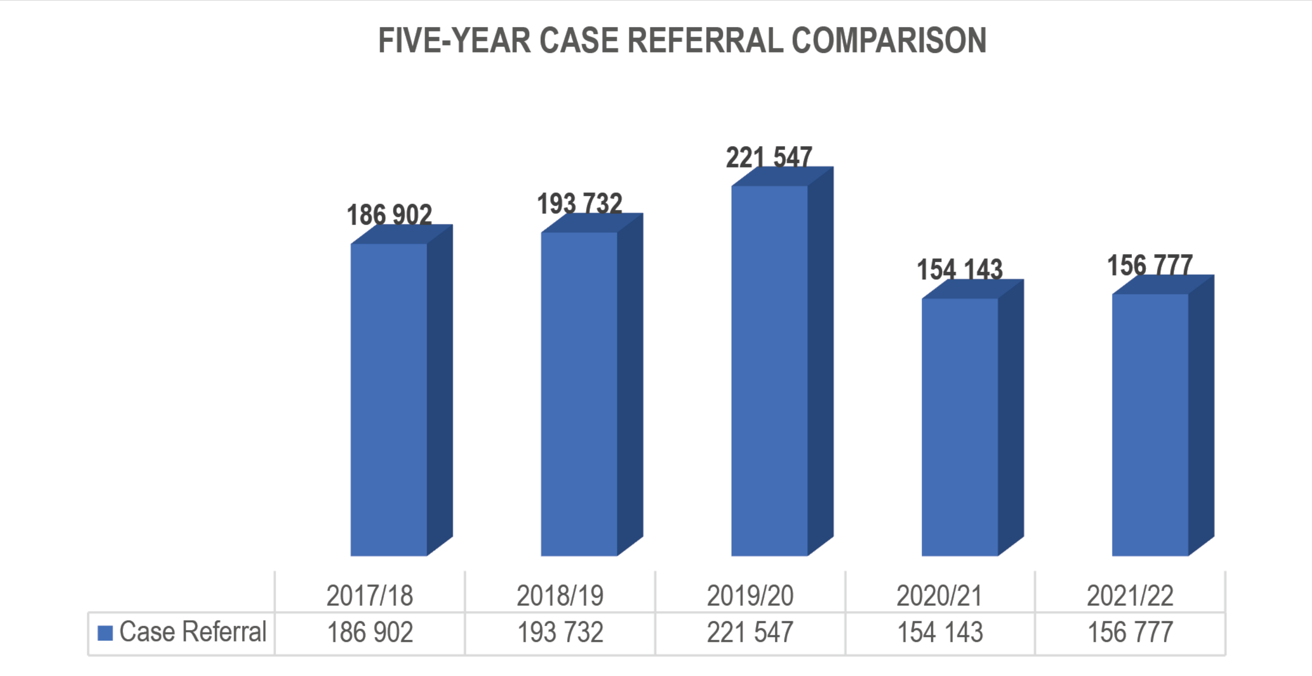


FIGURE 2: FIVE (5) YEAR CASE REFERRAL COMPARISON

The figure below illustrates the breakdown of the top eight (8) referring sectors for the 2021/22 and 2020/21 financial years.

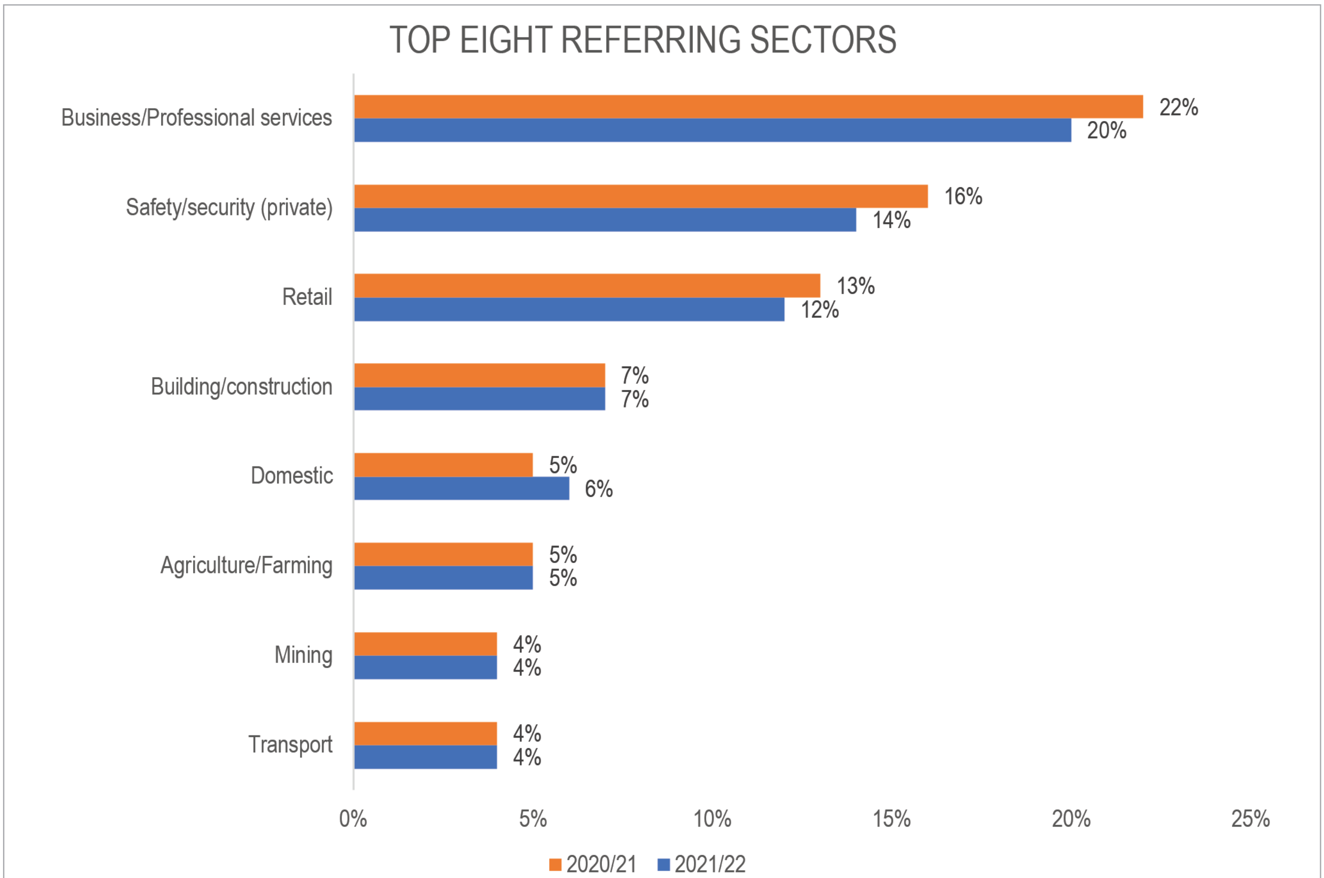


FIGURE 3: BREAKDOWN OF THE TOP EIGHT (8) REFERRING SECTORS FOR THE 2021/22 AND 2020/21 FINANCIAL YEARS

The percentage of admnistrative assistance offered to Users in relation to the CCMA serving referrals on behalf of the applicants, amounted to 22%, a decrease of six percent (6%) when compared to the 2020/21 financial year which accounted for 28% of the total referrals received. This was attributed to a decrease in User walk-in referrals. A total of 26 912 pre-conciliations were conducted compared to 31 973 pre-conciliations of the 2020/21 financial year, a decrease of 16%. The number of pre-conciliations settled, however, increased by 17% from the 2020/21 financial year. Pre-conciliations remain one of the most efficient ways to manage the caseload and to reduce costs per case, especially in light of the financial challenges faced by the CCMA.

The number of con-arbs heard increased by 28% compared to the 2020/21 financial year. The number of arbitration awards rendered at the arbitration stage of the con-arb process was recorded at 5 419, but the high number of default awards which accounts for 74% (3 984) of the total arbitration awards rendered, remains a concern, which shows a slight increase of one percent (1%) for the 2020/21 financial year. The concern with this high number of default arbitration awards is the number of rescission applications subsequently received and granted which contribute to the process reworks. The overall settlement rate was recorded at 73%, which represents an increase of three percent (3%) compared to 70% achieved in the 2020/21 financial year.

During the 2021/22 financial year, the CCMA heard a total of 200 223 events compared to a total of 184 921 events in the 2020/21 financial year. Events heard by Full-Time Commissioners (FTCs) were recorded at 39% compared to 54% heard by PTCs. This can be attributed to the limitation of days allocated to PTC. The increase in the total number of events heard should also be seen since PTCs were allocated more days (albeit still limited) since the suspension of work allocation to them was lifted.

A total of 101 014 (99.76%) conciliable cases were heard at the first event. On average, the CCMA took 23 days to deal with conciliation cases. This is commendable especially considering the challenging operating environment brought about by financial challenges and the COVID-19 pandemic.

The total number of conciliations heard was 116 926 compared to 105 465 conciliations heard in the 2020/21 financial year. Three (3) conciliations heard outside 30 days without an agreement to extend the conciliation period. Non-attendance at conciliation was recorded at 12.90%. In the last financial year, non-attendance stood at 13.40%. The number of certificates issued without conciliation because the 30-day period had expired was recorded at 4 296 in the 2021/22 financial year, compared to 10 513 certificates issued in the 2020/21 financial year. The above is to be expected considering that PTCs were allocated more days during the 2020/21 financial year.

The turnaround time of arbitrations was recorded at a national average of 85 days compared to a national average of 77 days in the 2020/21 financial year. The contributing factors are well documented and had led to the revision of this efficiency amongst others to 120 days.

During the 2021/22 financial year, the CCMA rendered a total of 17 583 arbitration awards, which is an increase of 3 455 arbitration awards from the 2020/21 financial year wherein, 14 128 arbitration awards were rendered. Eight (8) arbitration awards were sent late to parties, compared to nine (9) arbitration awards sent late during the 2020/21 financial year. The improvement in this area can be attributed amongst other things, to the Dispute Resolution National Office performing daily monitoring, and communication to Provincial Senior Commissioners (PSCs), Regional Senior Commissioners (RSCs) and Senior Commissioners (SCs) via email on a daily basis with respect to awards and rulings due from the 10th day of the month in order to ensure that no awards are submitted late by Commissioners and sent late to parties.

During the 2021/22 financial year, a total of 119 584 Users accessed CCMA services from the identified sectors. These Users accessed the CCMA services from the identified sectors as follows: Agriculture (12 364), Domestic (15 515), Mining

(11 666), Retail (35 113) and Private Security (44 926). These Users have gained access to these services through either the CCMA's Dispute Resolution and/or Dispute Prevention and Workplace Outreach services.

The table below provides a breakdown of the number of Users who accessed CCMA services from identified sectors.

TABLE 3: BREAKDOWN OF THE NUMBER OF USERS WHO ACCESSED CCMA SERVICES FROM IDENTIFIED SECTORS

SECTORS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTALS
Agriculture	3 133	3 079	2 600	3 552	12 364
Domestic	4 249	3 779	3 188	4 299	15 515
Private Security	11 355	11 170	9 653	12 748	44 926
Retail	9 082	9 120	7 232	9 679	35 113
Mining	3 202	3 105	2 349	3 010	11 666
TOTALS	31 021	30 253	25 022	33 288	119 584

The CCMA increased access in the vulnerable areas and amongst vulnerable groups by implementing an Advocacy Campaign Plan through the eight (8) CCMA provincial offices offices. A total of 219 awareness raising and outreach activities were delivered in support of this campaign through Users, sectors and stakeholder forum meetings, as well as radio talk-shows and the distribution of information sheets and promotional materials.

The CCMA witnessed a decline in both small-scale (Section 189) and large-scale (Section 189A) retrenchment referrals when compared to previous financial year. The substantial decline in retrenchment activity is largely attributed to signs of economic recovery and an indication that businesses managed to overcome the adverse consequences of the COVID-19 pandemic brought about by the relaxation of the Disaster Management Regulations, as businesses have fully resumed operations.

The CCMA's overriding emphasis on job-saving has ensured employment retention is prioritised. The uncertainty of job losses due to retrenchment persisted year-on-year. Despite the decline in retrenchment matters, the 2021/22 financial year continued to place an incredible task on the CCMA to minimise the number of job losses, especially when considering the high numbers recorded in the previous financial year. It may be signs that we are stemming the tide of the severe impact of the COVID-19 pandemic. Dedicated efforts by CCMA facilitators and stakeholders in large-scale retrenchment processes has once again resulted in the CCMA exceeding its job saving target. Section 189A processes facilitated by the CCMA resulted in 39.86% of jobs saved (18 715), of those 46 953 employees were likely to be retrenched and total retrenchment was recorded at 27 003 compared to 74 747 in the previous financial year. This represents a substantial decline of 63.8% from the previous year. The highest number of job losses were in the Aviation (4 992), Mining (3 463), and Food and Beverage (2 666) sectors. The CCMA national office accounts for high retrenchment activity which is indicative of companies undertaking these processes across their operations countrywide. The CCMA hopes the decline in retrenchment matters continues, and the number of job losses subsides in the years ahead.

The CCMA sustained its job saving efforts by maintaining partnerships with other institutions such as Productivity SA. Ongoing support has been offered to businesses in distress, options are explored to avoid job losses, and survival mechanisms are extended to retrenched employees. This, coupled with various initiatives and relief opportunities offered through various government entities have ensured some measure of labour market stability is sustained. It is also fortunate to note that the public unrest witnessed by widespread looting predominantly in KwaZulu-Natal and Gauteng has not contributed to any sudden spike in retrenchment activity despite the burden placed on affected businesses. The CCMA continues to share reports and data to provide an overview of retrenchment activity to the Presidential Task Team Working Committee that convenes at NEDLAC, and the DEL as illustrated in the tables below.

TABLE 4: NATIONAL JOBS SAVED BY SECTOR DURING THE 2021/22 FINANCIAL YEAR

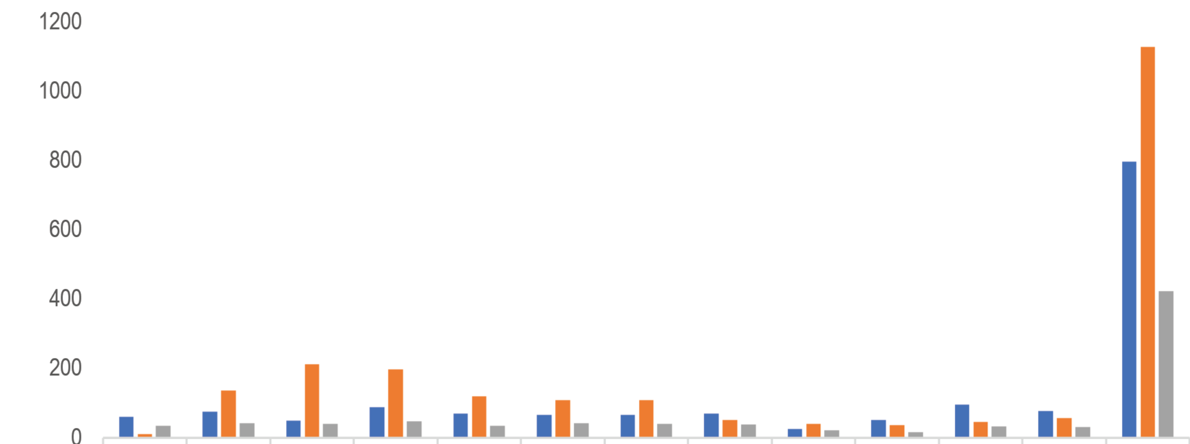
	ANNUAL	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Employees likely to be retrenched	46 953	3 856	4 944	1 261	2 859	4 094	5 624	2 946	4 174	1 895	6 921	3 722	4 657
Jobs saved	18 715	2 032	1 774	431	1 396	1 384	2 558	1 280	2 622	381	2 431	1 367	1 059
Total retrenchments	27 003	1 643	2 878	825	1 416	2 602	3 032	1 649	1 530	1 187	4 396	2 308	3 537
%	39.86%	53%	36%	34%	49%	34%	45%	43%	63%	20%	35%	37%	23%

The table below indicates the selected high-profile Section 189A matters as can be gleaned from the spate of job losses across all sectors.

TABLE 5: SELECTED HIGH-PROFILE SECTION 189A MATTERS

SECTOR	PARTIES	EMPLOYEES LIKELY TO BE RETRENCHED
Aviation	South African Airways Technical (SAAT) and NUMSA–Solidarity–South African Transport and Allied Workers Union (SATAWU) and Aviation Union of Southern Africa (AUSA) obo Members	1 203
Aviation	Air Traffic and Air Navigation and SATAWU–Solidarity obo Members	172
Chemical	PetroSA and NUMSA–Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU) and Solidarity	850
Food/Beverage (manufacturing)	Airchefs SOC Ltd and NUMSA–SATAWU obo Members and Non-Unionised Employees	1 030
Food/Beverage (manufacturing)	Clover SA (Pty) Ltd/FAWU–GIWUSA–International Telecommunication Union (ITU) and Solidarity obo Members	753
Food/Beverage (manufacturing)	Clover SA (Pty) Ltd and GIWUSA–FAWU–ITU–African Meat Industry And Allied Trade Union (AMITU) and Solidarity obo Members	1 418
Retail	Massmart Holding (Pty) Ltd t/a Mass stores (Massmart Group) and SACCAWU–UAWA–UASA–Togetherness Amalgamated Workers' Union of South Africa (TAWUSA)–National Association of South Africa (NASA) and NUFBWSAW	1 293
Mining	Fraser Alexander (Pty) Ltd/Association of Mineworkers and Construction (AMCU) and NUM obo Members	1 882
Transport (private)	Autopax SOC (Pty) Ltd and NUMSA–SATAWU obo Members and Non-Unionised Employees	311
TOTAL		8 912

The CCMA recorded 423 large-scale retrenchments (Section 189A) referrals, which is a substantial decline compared to 1 124 of the 2020/21 financial year. This represented a decrease of 62% in large-scale retrenchment referrals. This is a positive indication of economic recovery as most businesses have fully resumed operations and have been able to respond to the early impact of the COVID-19 pandemic. The significant decrease in Section 189A referrals provides some measure of optimism and the hope that an economic upturn is in sight. The below figure indicates Section 189A (large-scale) referrals over the last three (3) financial years.



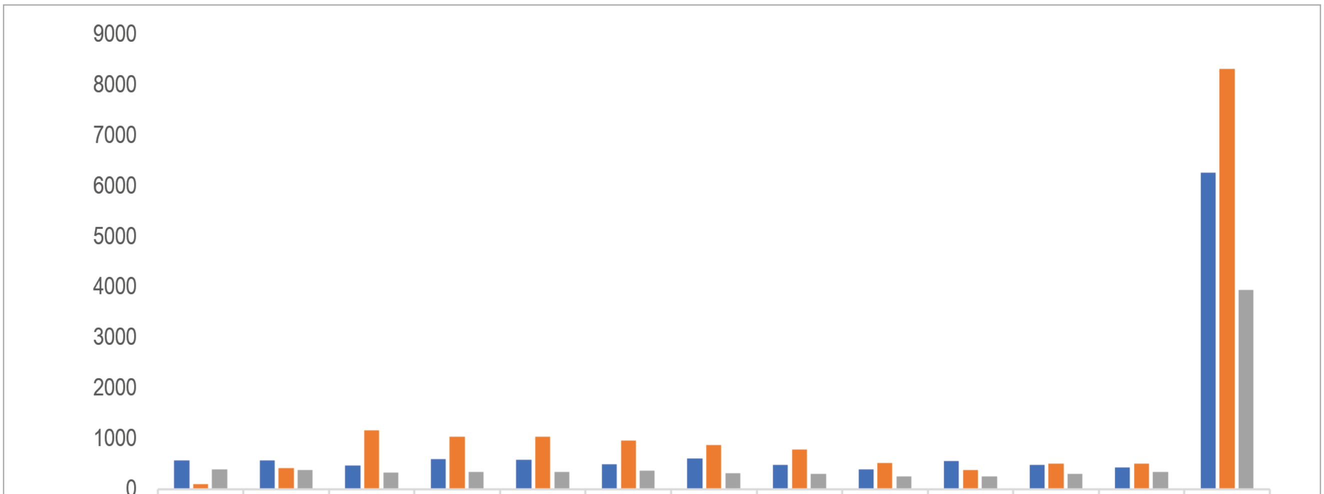
	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2019/20	60	75	50	89	70	49	67	70	25	51	96	77	779
2020/21	11	136	213	197	120	106	109	52	41	36	46	57	1 124
2021/22	34	42	41	48	35	43	40	39	21	16	33	31	423

2019/20 2020/21 2021/22

FIGURE 4: SECTION 189A (LARGE-SCALE) REFERRALS OVER THE LAST THREE (3) FINANCIAL YEARS

During the 2021/22 financial year, the CCMA recorded a total of 3 938 small-scale retrenchment activity mirrored by the trend in large-scale retrenchments which declined substantially by 54.4% when compared to the 2020/21 financial year, which recorded 8 645. The significant reduction in these matters is welcomed as the CCMA's potential to save jobs in small-scale retrenchment processes is restricted due to the CCMA only getting involved once the retrenchment has occurred. This trend is also indicative of some measure of improved economic conditions experienced by small businesses. Unfortunately, employees in small-scale retrenchment matters seldom have access to survival mechanisms and the opportunities to benefit from participation in TERS.

The figure below indicates Section 189 (small-scale) referrals over the last three (3) financial years.



	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2019/20	573	575	472	600	582	501	612	488	395	558	484	427	6 267
2020/21	97	418	1 173	1 356	1 035	965	875	790	526	386	512	512	8 645
2021/22	399	381	332	337	340	369	319	304	249	258	309	341	3 941

2019/20 2020/21 2021/22

FIGURE 5: SECTION 189 (SMALL-SCALE) REFERRALS OVER THE LAST THREE (3) FINANCIAL YEARS

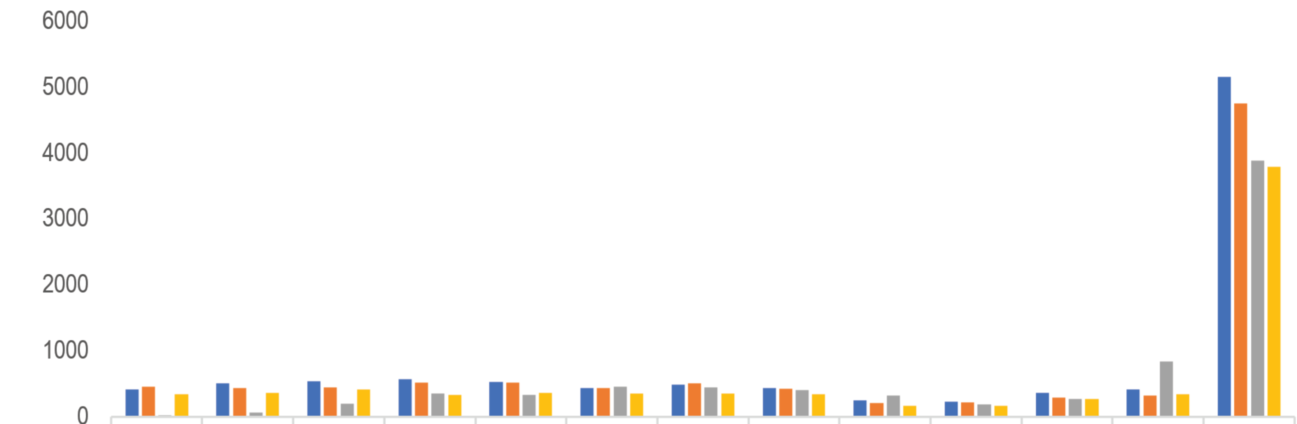
The strategic emphasis on job-saving is further supported by the efforts of Commissioners to prioritise return-to-work outcomes in settled conciliated matters. The CCMA had set itself a target of achieving eight percent (8%) return-to-work outcomes in settled cases. The emphasis on employment retention has resulted in the target being achieved whereby eight percent (8%) of these matters were recorded as re-instatement or re-employment outcomes. It is imperative that avenues to retain people in employment are explored early on in the conciliation processes rather than to opt for short-term compensation relief.

During the 2021/22 financial year, the CCMA received fewer wage-related disputes than previous financial years. The CCMA witnessed a deferred bargaining season in the previous financial year that was attributed to the lockdown. However, the numbers received illustrated a steady flow of collective bargaining disputes synonymous with pre-bargaining trends. It appears wage negotiations were in full swing as businesses resumed operations and the pattern of bargaining was revived.

The CCMA has an admirable track record in the resolution of mutual interest wage disputes with previously close to two-thirds of these being settled and over 80% of selected public interest matters settled through Section 150 offers of assistance. However, the success rate in resolving wage disputes has dropped over the past three (3) years, potentially increasing the likelihood of industrial action. Several public interest disputes were also unnecessarily drawn out into lengthy periods of industrial action, despite numerous CCMA process interventions. Ironically many of these matters are resolved on terms and conditions facilitated by Commissioners early on but only acceded to two (2) to three (3) weeks after industrial action has commenced. This, unfortunately, comes at a tremendous cost to workers and companies that directly affects economic growth and labour market stability. The decline in the settlement rate is also a reflection of escalating worker hardships and the rising cost of living coupled with businesses struggling for survival and reeling from the effects of the pandemic. The CCMA's approach to collective bargaining remains effective considering the changing dynamics of the labour market and ensures that parties remain in process to break impasses.

During the 2021/22 financial year, the CCMA resolved 2 384 mutual interest disputes compared to 3 431 mutual interest disputes for the 2020/21 financial year, this contributed to 58.25% of these matters. Despite the lower number of potentially strike related matters referred, the work of the CCMA in this area contributes to labour market stability, economic growth and recovery owing to the nature and volatility of these disputes.

The figure below indicates the mutual interest disputes over the past four (4) years.



	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2018/19	416	511	534	567	525	437	483	432	251	227	367	410	5 160
2019/20	454	431	445	516	521	433	503	427	209	216	285	316	4 756
2020/21	22	66	197	349	335	457	444	408	325	184	267	834	3 888
2021/22	338	365	413	328	361	355	348	346	171	166	269	337	3 797

2018/19 2019/20 2020/21 2021/22

FIGURE 6: MUTUAL INTEREST DISPUTES OVER THE PAST FOUR (4) YEARS

Through the ongoing support and active monitoring of unresolved mutual interest disputes, the CCMA ensured that appropriate offers of assistance in terms of Section 150 of the LRA were made in high profile public interest matters. The CCMA settled 137 public interest matters against 145 matters, which constituted a 94.48% settlement rate. The success rate in resolving public interest disputes is attributed to the CCMA's stature and reputation in the labour market, and indicative of the stakeholder confidence in the CCMA.

During the 2021/22 financial year, the CCMA attended to various high profile wage disputes. Selected highlights are mentioned below:

a) Hospitality: SACCAWU and Sun International signed a one-year agreement with respect to increases in hourly rates and maternity leave paid at 80% of the employee's salary for a period of six months;

b) Sugar Milling: A wage dispute between FAWU, UASA and AMCU and the Sugar Milling and Refining Employers Association settled on a one-year agreement at five percent (5%) following several CCMA process interventions that commenced with wage facilitation, followed by conciliation and a Section 150 process intervention;

c) Retail: Conciliation and Section 150 (public interest) intervention in the SACCAWU and Massmart Stores wage dispute resulted in a one (1) year agreement and outstanding issues were deferred to collective bargaining support service under the auspices of the CCMA;

d) Public Service: A one (1) year agreement as well as an increase on the Across the Board (ATB), housing and medical aid was reached after CCMA conciliation between NEHAWU and the Independent Electoral Commission's (IEC) Wages and Conditions of Employment dispute resolved in respect;

e) Mining – Chrome: Wage disputes conciliated at Samancor Chrome Smelters and Mining with NUM, UASA and NUMSA, NUM, Solidarity respectively with regards to ATB increases, housing allowances and medical aid; and

f) Food and beverage: A wage dispute between Clover SA, FAWU/GIWUSA is unresolved following several attempts through conciliation, section 150 process intervention and in collaboration with the DEL to deal with wage increments and retrenchment processes that had been undertaken.

In the midst of the COVID-19 pandemic and environment of weakened economic growth, South Africa continued to experience major job losses across all sectors of the economy. The facilitation of proactive interventions towards job saving by the CCMA and continuous support to the labour market remained central to economic development. As a consequence, the CCMA facilitated a think tank involving internal and external role players under the theme "Proactive interventions in dealing with Section 189A facilitations". Organised business, Labour and Government agreed that the CCMA as well the facilitators of Section 189A (large-scale retrenchments) needed to play a bigger and more meaningful role beyond the statutory meetings afforded in Section 189A processes. Some of the high-level outcomes include, amongst others, access to senior government officials and departments, leaders of Labour Federations as well as key role players in business. Whilst businesses and workers are slowly recovering from a very difficult and challenging period of financial and operational distress, continuous engagement with role players in addressing job security remains pivotal.

The CCMA conducted various engagements with key stakeholders, including NEDLAC representatives, focusing mainly on pre-section 189A interventions. The national job-saving target could not be achieved without the contribution, commitment, dedication and unwavering support of Section 189A facilitators and stakeholders involved in these processes across all CCMA provinces. The Employment Security Unit (ESU) continued to support provinces during the lockdown through virtual platforms to encourage colleagues to utilise more proactive approaches to job insecurity, to address challenges faced by Section 189A facilitators and to continuously probe new and creative options to mitigate the risk of further employee and business distress.

The CCMA's drive to contribute towards labour market stability and advancing economic development includes ongoing collaboration with and support for our strategic partners. In this regard, Bargaining Councils play an integral role in industry sustainability and employment security by serving their members' interests through their management and implementation of industry wide negotiations and agreements. The CCMA oversees the managing and supporting the accreditation processes of Bargaining Councils and Private Agencies ensuring proper monitoring and evaluation of their dispute resolution performance, subsidy payment management and to ensure stakeholder relations are maintained.

There are currently 37 accredited Bargaining Councils and five (5) Private Agencies. The CCMA continues working closely with Bargaining Councils and provides the following support:

a) Processes for appointment of new panelists to address capacity challenges faced by Bargaining Councils;
b) Mentorship programme for new panelists appointed at Bargaining Councils;
c) Roll-out of the Case Management system to additional Bargaining Councils;
d) Regular visits and engagements with Bargaining Councils on administrative issues, financial viability, and collective bargaining support; and
e) Additional support processes to assist newly registered Bargaining Councils and Private Agencies to set up their infrastructure in order to get their dispute resolution function underway as they prepare their applications for accreditation and comply with their accreditation conditions.

During the 2021/22 financial year, the CCMA convened its Annual Bargaining Council Forum with all accredited Bargaining Councils to address accreditation matters, strengthening, and maintaining stakeholder relationships, identifying, and addressing challenges faced by Bargaining Councils in terms of accreditation, operations and collective bargaining. The value of this event is to ensure Bargaining Councils can share experiences and adopt a consistent approach to dispute resolution across the labour market and address any challenges attributed to the impact of COVID-19 and beyond.

The ongoing support and monitoring ensures that Bargaining Councils and Private Agencies are able to perform their functions. The consequence of Bargaining Councils being unable to perform their functions will place a tremendous operational burden on the CCMA's dispute resolution capacity and service delivery.

During the 2021/22 financial year, a total of 28 912 referrals were dealt with by accredited Bargaining Councils and Private Agencies. The CCMA also ensured that subsidy payments for the total number of 4 994 cases were paid out to the amount of R3.5 million, with outstanding of R533 thousand which was accrued for. The total amount paid by the CCMA amount to R4.087 million. The CCMA also processed and certified 6 952 Section 143 applications for enforcement received from Bargaining Councils.

Under Gazette No: 44945 GN496 dated 6 August 2021, the ESC undertook to investigate whether the whole or part of the following services should be declared essential:

a) The services in mining industry;
b) The service of refining manganese ore; and
c) The manufacture/production and supply of steel.

During the financial year under review, the ESC received and concluded 12 Section 73 applications, two (2) Section 75 applications and three (3) self-initiated cases in order to determine whether or not the whole or a part of any service is an essential service.

2.1.5. PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE

The CCMA has produced a business intelligence report following continuous scanning of the operating environment. The report aimed to provide strategic forecasting and situational analysis to guide the development of the 2022/23 APP.

The 2021/22 Risk Management Plan was fully implemented. The CCMA has maintained a risk maturity level five (5) rating during the period under review, meaning that the CCMA continued to maintain an optimised risk environment, with a focus on embedding the risk culture across the organisation.

All the activities of the 2021/22 Compliance Management Plan were delivered. The 2021/22 Compliance Regulatory Universe (CRU) had 48 pieces of legislation to which the CCMA was obligated to comply with. The final assessment concluded that the CCMA satisfactorily achieved compliance and therefore the risk of reputational damage, litigation, fines, penalties and loss of an unqualified audit, was minimised.

2.2. ORGANISATIONAL ENVIRONMENT

The reduction in the CCMA budget has placed strain on the organisation's ability to deliver on its statutory mandates. This resulted in a reduced allocation of days to PTCs, affecting the CCMA's turnaround times negatively. All the CCMA offices remained closed for walk-ins for extended periods of the 2021/22 financial year to ensure the health and safety of CCMA employees and Users. This impacted the number of referrals received.

Priority ICT projects such as infrastructure refresh, WiFi rollout to CCMA provincial offices, as well as filling of ICT vacancies, were put on hold due to a lack of budget. With the limited budget, ICT was able to rollout laptop to Users who previously didn't have them and thus enabling them to be able to work remotely. The Cloud journey was also started as part of strategic initiatives to circumvent the aging infrastructure.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

2.3.1. CODE OF GOOD PRACTICE ON THE PREVENTION AND ELIMINATION OF HARASSMENT IN THE WORKPLACE (2022)

This Code of Good Practice was promulgated on 18 March 2022. It replaces the Amended Code of Good Practice on the Handling of Sexual Harassment Cases in the Workplace (2005). The objective of the new code is to eliminate all forms of harassment in the workplace.

Key to the new code is the broader guidance it serves to provide when interpreting the harassment provision of the EEA. Unlike the repealed code of 2005, this code provides a definition of harassment and provides guidelines on different forms of harassment, including sexual harassment.

The CCMA will engage in public advocacy campaigns to create awareness of the code and its objectives.

While the code will not expand the jurisdiction of the CCMA, it's application and further public exposure to it may result in a rise in cases being referred to the CCMA.

2.3.2.CONSOLIDATED DIRECTION ON OCCUPATIONAL HEALTH AND SAFETY IN CERTAIN WORKPLACES (JUNE 2021)

This direction was issued in terms of Section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002) (DMA). It serves to provide obligations and guidelines for employers to follow to provide and maintain, as far as reasonably practicable, a working environment that is safe and without risk to the health of employees. Included in this direction are guidelines relating to the implementation of a Policy On Mandatory Workplace Vaccination.

Since the promulgation of this direction until 31 March 2022, the CCMA received 258 referrals concerning disputes linked to employers' mandatory workplace vaccination policies. It is expected that this trend may continue in in the 2022/23 financial year when the new Code of Good Practice on Managing Exposure to SARS-COV-2 in the Workplace is promulgated.

2.3.3. PROTECTION OF PERSONAL INFORMATION ACT, 2013 (ACT NO. 4 OF 2013)

The Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (POPIA) which came into force on 1 July 2021 places several obligations on employers in terms of managing employees' personal information. It also gives certain rights to privacy to employees which employers needed to be fully compliant with POPIA by 30 June 2021. Non-compliance can result in significant penalties – up to 10 years' imprisonment and/or R10 million in administrative fines.

POPIA applies to personal information and special personal information that is subject to processing or further processing. Processing encompasses a wide range of activities including the initial obtaining of personal information and the use and retention of that information as well as access, disclosure and final disposal of that information.

From an employment perspective, POPIA applies to information such as identity numbers, contact details, employment history, psychometric assessment results, references, qualifications, disciplinary records, union membership, grievances, health and biometric information; as well as to the full lifecycle of the employment relationship – from recruitment to post-termination and continues to apply for five (5) years after the relationship has ended (and still applies where the employer is approached as a reference). Employers must also ensure they lawfully process the personal information of independent contractors and other service providers.

POPIA prohibits the processing of special personal information which includes information on race, health, criminal behaviour and trade union membership unless an employer obtains express consent to do so from the relevant employee;

the information is required by law; the information is for historical statistical or research purposes; or the information was deliberately made public by the data subject.

The CCMA established a task team to identify areas of organisational exposure in the processing of personal information and to put in place reasonable procedures that enhance compliance with POPIA. In addition, the CCMA appointed Deputy Information Officers (DIO) in key leadership positions to support the work of the Director as Information Officer (IO) in upholding the rights of persons (known as "data subjects") whose personal information is processed by the CCMA.

2.3.4. NATIONAL MINIMUM WAGE, 2018 (ACT NO. 9 OF 2018)

South Africa officially adopted its new NMW on Tuesday, 1 March 2022. The NMW is now R23,19 for each ordinary hour worked, representing an increase of six point nine percent (6.9%) to the minimum wage set in 2021.

South African workers will see the implementation of the increased annual earnings threshold determined by the Minister of DEL in the amount of R224 080,48. This represents an increase of R12 484,18 from the previous amount of R211 596,30. This announcement is in terms of Section 6(5) of the NMWA, to amend the NMW contained in Schedule 1 and Schedule 2 of the NMWA, published under Government Notice No. 44136.

In accordance with the requirements of Section 6(5) of the Act, the Minister of DEL published the adjusted NMW rates in Government Gazette No. 45882 on 7 February 2022, increasing the rates in excess of the NMW Commission's recommendation as follows:

a) The NMW increases from R21,69 to R23,19 for each ordinary hour worked;
b) Farm workers are entitled to R23,19 per hour;
c) Domestic worker rates have been equalised after a progressive equalisation period and domestic workers are now entitled to R23,19 per hour, increasing from an hourly rate of R19,09; and
d) Workers employed on an expanded public works programme are entitled to R12,75 per hour, increasing from an hourly rate of R11,93.

Schedule 2 of the Act, which pertains to the minimum learnership allowance for workers who have concluded learnership agreements contemplated in Section 17 of the SDA, has been amended. The minimum weekly allowance a learner is entitled to is based on the National Qualification Framework (NFQ) level of the learner and these allowances have now been increased and will therefore impact the cost of learnership agreements. The earnings threshold will impact the application of provisions of the LRA, the BCEA and the EEA.

2.3.5. THE CYBERCRIMES ACT, 2020 (ACT NO.19 OF 2020)

The newly enacted Cybercrimes Act, 2020 (Act No. 19 of 2020) not only creates offences but codifies and imposes penalties on cybercrimes and defines cybercrime as including, but not limited to, acts such as the unlawful access to a computer or device such as a USB drive or an external hard drive; the illegal interception of data; the unlawful acquisition, possession, receipt or use of a password; and forgery, fraud and extortion online.

The Act criminalises the disclosure of data messages which are harmful and the disclosure of data messages that contain intimate images and seeks to implement an integrated cybersecurity legislative framework to effectively deal with cybercrimes and address aspects pertaining to cybersecurity.

The Act created 20 new cybercrime offences and prescribes penalties related to cybercrime. It provides overarching legal authority on how to deal with cybercrimes by regulating how these offences must be investigated, which includes searching and gaining access to or seizing items in relation to cybercrimes.

Section 3 of the Act makes provision for offences relating to personal information (as defined in POPIA) including the abuse, misuse and possession of personal information of another person or entity where there is reasonable suspicion that it was used, or may be used, to commit a cybercrime.

More importantly, the Act prescribes certain sentences for offenders which entail fines ranging from R5 million to R10 million and/or imprisonment ranging from five (5) and ten (10) years, with other more serious offences attracting imprisonment of up to 15 years and an imprisonment period not exceeding 25 years for computer-related terrorist activity and related offences. The Act imposes lesser sentences for the dissemination of data messages which advocates, promotes, or incites hate, discrimination, or violence to imprisonment not exceeding two (2), or a fine.

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The CCMA has made huge strides towards the achievement of the outcomes set in the Strategic Plan through implementation of the 2021/22 APP targets.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. PROGRAMME ONE (1): ADMINISTRATION

TABLE 6: PERFORMANCE OF PROGRAMME ONE (1): ADMINISTRATION

PROGRAMME ONE (1)	ADMINISTRATION
The CCMA aims to successfully deliver on its objectives through a cohesive, well-structured organisation, in which people, processes and systems perform optimally. As a publicly accountable entity, focus will continue to be on a clean administration and resources optimisation. The focus is on the development of human and organisational capacity towards building a world-class institution. This requires a series of strategic human resource interventions aimed at attracting, developing, and retaining talent. By its very nature, the CCMA is an information-intensive organisation requiring a strong, reliable and integrated Information Management System, underpinned by the best in range its platforms, leveraging on opportunities presented by the 4IR to sustain a high performing institution.	
• Enhance financial viability for organisational sustainability • Improved employee turnover rate • Improved ICT service quality	

3.1.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

During the 2021/22 financial year, the CCMA achieved 155.69% in the implementation of the Human Resources Management Plan which contributed to an improved employee turnover rate. This intends to preserve institutional memory, retain skilled employees, and develop future leaders who will facilitate the achievement of the CCMA mandate together.

A gear to move away from paperless based processes and to keep up to date with the technological trends and leverage on opportunities presented by the 4IR, the CCMA made huge strides by achieving 50% automation and integration of case disbursement. The average uptime of all critical systems was 97.34% which is two point three four percent (2.34%) more than the set target of 95%. This is attributed to proactive monitoring systems and migration to cloud computing which is starting to show positive results.

To enhance financial viability for organisational sustainability, the CCMA achieved three point seven zero percent (3.70%) of net surplus with ratio of safety to cash margin of 1.24:1. This is reduced expenditure on administration and operational expenses.

TABLE 7: PERFORMANCE OF PROGRAMME ONE (1): ADMINISTRATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
1.1. Enhance financial viability for organisational sustainability	1.1.1. Sustainable and well-resourced organisation	1.1.1.1. Percentage of net surplus achieved	New	1.99% (1 905 579 455/955 260 913)	1%	3.70% (980 317 614/1 018 050 958)	2.70%	Overachievement on this indicator is attributed to under expenditure on administration and operating expenses.
		1.1.1.2. Ratio of safety to cash margin achieved	New	0.89:1 (69 367 452/77 643 891)	1:1	1.24:1 (141 585 473/113 776 885)	0.24:0	Overachievement on this indicator is attributed to reduced expenditure on administration and operating expenses.
1.2. Improved employee turnover rate	1.2.1. Improved Human Resource Management	1.2.1.1. Percentage of Human Resources Plan implemented	New	195% (183/94)	100%	155.69% (123/79)	55.69%	Overachievement on this indicator is attributed to additional work conducted to ensure retainment of employees. Furthermore, additional training requests to capacitate employees were received and actioned accordingly.
1.3. Improved ICT service quality	1.3.1. Improved efficiencies	1.3.1.1. Percentage automation and integration of case disbursement (Dispute Resolution Processes) deployed	New	25% (3/12)	50%	50.00% (6/12)	0%	N/A
		1.3.1.2. Percentage of uptime ICT critical systems implemented	New	87% (7 570/8 674)	95%	97.34% (8 527/8 760)	2.34%	Overachievement on this indicator is attributed to proactive monitoring systems and migration to cloud computing which is starting to show positive results.

3.1.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There is no underperformance registered for this programme.

3.1.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2021/22 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.1.4. LINKING PERFORMANCE WITH BUDGET

TABLE 8: PROGRAMME ONE (1): ADMINISTRATION: LINKING PERFORMANCE WITH BUDGET

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme One (1)	218 077	213 513	4 564	208 665	200 485	8 180
Total	218 077	213 513	4 564	208 665	200 485	8 180

3.2. PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION

TABLE 9: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION

PROGRAMME TWO (2)	PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION
Programme Purpose	Through the implementation of the Dispute Management and Prevention Strategy and Programme to transform and build relations and capacity in the workplace. Respond appropriately and timeously to labour market developments through focused proactive and reactive labour market interventions for successful dispute prevention and management and workplace transformation whilst promoting and supporting dialogue, democratisation, best employment practices and relationship building in the workplace.
Institutional Outcomes	• Enhance dispute management and prevention • Improved workplace relations • Effective essential services dispute management, prevention and resolution

3.2.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The CCMA proactively engaged nine (9) targeted workplaces and delivered eight (8) vulnerable sector projects to targeted Users in the labour market to transform and manage workplace relations. To effectively enhance Dispute Management and Prevention (DMP), the CCMA conducted eight (8) CBSP and five (5) pre-Collective Bargaining Conferences.

To ensure effective essential service dispute management and promote dispute resolution, the ESC conducted ten (10) interventions to promote effective dispute resolution in essential services, engaged 107 entities to ensure there are minimums to be maintained during industrial action in essential services and monitored seven (7) Essential Service Designations, MSAs, MSDs and/ or Maintenance Service Determinations for compliance and observance.

During the period under review,12 awareness sessions were conducted in essential services.

TABLE 10: PERFORMANCE OF PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
2.1. Enhance dispute management and prevention	2.1.1. Orderly Collective Bargaining Processes	2.1.1.1. Number of Collective Bargaining Support Processes conducted for strategically identified Users	6	8	6	8	2	Overachievement on this indicator is attributed to an increased demand and high uptake for CCMA's CBSP services. This is due to the mandate of the CCMA to promote labour market stability and the confidence parties have in the institution to reduce workplace conflict.
		2.1.1.2. Number of pre-Collective Bargaining Conferences conducted for strategically identified Users	3	3	3	5	2	Overachievement on this indicator is attributed to an increased demand and high uptake for CCMA's CBSP services. This is due to the mandate of the CCMA to promote labour market stability and the confidence parties have in the institution to reduce workplace conflict.
2.2. Improved workplace relations	2.2.1. Engage Workplaces	2.2.1.1. Number of targeted workplaces engaged	New	12	8	9	1	Overachievement on this indicator is attributed to the additional workplace that was identified and engaged by the Mpumalanga province for the implementation of the Transformation of Workplace Relations.
		2.2.1.2. Number of vulnerable sector projects delivered to targeted Users	12	13	8	8	0	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
		2.2.1.3. Percentage of positive rating on participant evaluation outcomes attained	New	0%	65%	99.79% (8 275/8 292)	34.79%	Overachievement on this target could be attributed to the quality of the capacity building interventions delivered to Users which warrants a positive rating by Users when requested to assess their overall satisfaction with the quality of the training.
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.1. Number of interventions conducted to promote effective dispute resolution in essential services	New	15	9	10	1	Overachievement on this indicator is due to parties usually cancelling planned processes on short notice in the past which had a detrimental effect on the ability of the ESC to achieve its targets. As mitigation, the ESC plans for additional processes to ensure that if there is a cancellation by a party, the ESC is not detrimentally affected.
		2.3.1.2. Number of stakeholders engaged to make inputs on legislative changes	New	5	3	4	1	Overachievement on this indicator is due to parties usually cancelling planned processes on short notice in the past which had a detrimental effect on the ability of the ESC to achieve its targets. As mitigation, the ESC plans for additional processes to ensure that if there is a cancellation by a party, the ESC is not detrimentally affected.

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2019/20**	**AUDITED ACTUAL PERFORMANCE 2020/21**	**PLANNED TARGET 2021/22**	**ACTUAL ACHIEVEMENT 2021/22**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22**	**REASONS FOR DEVIATIONS**
		2.3.1.3. Number of entities engaged to ensure that there are minimums to be maintained during industrial action in essential services	New	133	84	107	23	Overachievement on this indicator is due to parties usually cancelling planned processes on short notice in the past which had a detrimental effect on the ability of the ESC to achieve its targets. As mitigation, the ESC plans for additional processes to ensure that if there is a cancellation by a party, the ESC is not detrimentally affected. Furthermore, overachievement on this indicator is attributed to the ESC receiving a request from Mothwa Haven seeking assistance from the ESC to assist in developing their Minimum Service Agreement, and the DSD which were initially organised per province. It is also in the interest of the ESC to have as many public centres as possible concluding MSAs.
		2.3.1.4. Number of Essential Services Designations, Minimum Services Agreements, Minimum Service Determinations and/or Maintenance Services Determinations monitored for compliance and observance	10	11	6	7	1	Overachievement on this target is attributed to a request received by the ESC who was requested by NEHAWU in Parliament to review the MSD which was concluded on 6 August 2020. It was then conducted to avert any possible industrial action.
		2.3.1.5. Number of awareness sessions on essential services designation conducted	New	16	10	12	2	Overachievement on this indicator is attributed to the ESC convening a webinar in collaboration with the Public Service Co-ordinating Council (PSCBC). This was in an endeavour to clear the blockages in the negotiation of minimum services in the Public Service. The signing of the wage agreement created a platform conducive for kick-starting the MSA process. The webinar was as an opportunistic intervention agreed to between the PSCBC and the ESC.

3.2.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no underperformance registered for this programme.

3.2.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2021/22 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.2.4. LINKING PERFORMANCE WITH BUDGET

TABLE 11: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION: LINKING PROGRAMME WITH BUDGET

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Two (2)	12 738	12 591	147	12 091	11 782	309
Total	12 738	12 591	147	12 091	11 782	309

3.3. PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

TABLE 12: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

PROGRAMME THREE (3)	SPECIAL INTERVENTIONS AND SUPPORT
Programme Purpose	To be the mediatory and arbitration organisation of choice and to support national interventions. The CCMA interventions through this programme are aimed at promoting dispute resolution through special mediation processes and social dialogue. The CCMA interventions through this programme aimed at promoting consensus, community participation, efficient and effective use of financial and human resources in the dispute resolution process.
Institutional Outcomes	• Effective support to Presidential projects

3.3.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The CCMA continued to effectively support the Presidential projects by implementing 112.50% of Phase 2 of the CCMA/ BUSA Labour Advice Web Tool for Small Businesses. This achievement was due to the development of a the free-to-use CCMA & BUSA Labour Advice App which was introduced to enhance accessibility to the labour law information provided on the Web Tool.

TABLE 13: PERFORMANCE OF PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

PROGRAMME/SUB-PROGRAMME: HIGH PERFORMANCE INSTITUTION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
3.1. Effective support to Presidential projects	3.1.1. Contribution to Presidential priorities	3.1.1.1. Percentage of Phase 2 of the CCMA/BUSA Labour Support Web Tool implemented	New	100% (15/15)	100%	112.50% (9/8)	12.50%	Overachievement on this indicator is due to the development of a Mobile App which was introduced to enhance accessibility to the Web Tool.

3.3.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no underperformance registered for this programme.

3.3.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2021/22 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.3.4. LINKING PERFORMANCE WITH BUDGET

TABLE 14: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT: LINKING PROGRAMME WITH BUDGET

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Three (3)	15 607	14 188	1 419	14 335	14 401	(65)
Total	15 607	14 188	1 419	14 335	14 401	(65)

3.4. PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES

TABLE 15: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES

PROGRAMME FOUR (4)	EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES
Programme Purpose	Advance accessible, efficient and quality resolution and enforcement mechanisms to sufficiently address the growing inequality in the labour market due to external factors changing the nature of work. A proactive approach to the advancement of social justice is required in order to adequately maintain social cohesion, contribute to labour peace and human advancement and progress. The CCMA will focus on initiatives that will ensure increased and effective access to the CCMA in vulnerable areas and amongst vulnerable groups through collaboration with strategic partners and increased access points, as well as initiatives that will enhance the efficiency of service delivery, quality of settlements and enforceability of awards.
Institutional Outcomes	• Improved service quality • Improved access to CCMA services • Jobs saved • Reduced potential for industrial action

3.4.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

During the 2021/22 financial year, the CCMA resolved 58.25% of disputes of interests and 94.48% of public interest matters to reduce the potential of industrial actions in the labour market. The Return-To-Work outcome (RTW) was recorded at 8.35%. This is an indication of efforts to ensure workers remain in employment and prioritise this at conciliation.

The CCMA job saving efforts was recorded at 18 715 jobs saved to those likely to be retrenched at 46 953, with the actual retrenchment sitting at 27 003. This translates to 39.86% of cases referred to the CCMA against a target of 38%.

The CCMA has improved access to its services, with a total of 119 584 Users accessing CCMA services from identified sectors. This could also be exacerbated by the relaxing of the state of national disaster lockdown levels which opened activities in the labour market and led to some job losses in most of the identified vulnerable sectors.

To improve service quality in the essential services, the CCMA conducted 100% of Sections 71, 73 and 75 of the LRA. A total of 99.95% of arbitration awards were rendered and sent to parties within 14 days of the conclusion of the arbitration proceedings (this excludes extensions granted and heads of arguments filed).

TABLE 16: PERFORMANCE OF PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISOUTE RESOLUTION AND ENFORCEMENT SERVICES

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.1. Percentage of conciliable cases heard within 30 days at first event (excludes agreed extensions, where certificates were issued, out of jurisdiction cases/withdrawn/settled by parties, cases prior to the matter being scheduled, no process cases and cases which are not conciliable or where conciliation is not first process)	98.9%	99.4% (91 296/91 810)	95%	99.76% (101 014/101 253)	4.76%	Overachievement is attributed to several control measures put in place to mitigate against matters scheduled outside of 30 days which includes daily reports to regions. This is a legislative target and the department strives to achieve 100%.
		4.1.1.2. Percentage of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed)	98.7%	99.9% (13 236/13 245)	98%	99.95% (15 938/15 946)	1.95%	Overachievement on this indicator is attributed to several control measures put in place including daily reports being sent to regions and consequence management being applied.
		4.1.1.3. Percentage of disputes of interests resolved	New	52.6% (1 628/3 097)	52%	58.25% (2 384/4 093)	6.25%	Overachievement and success rate attributed to the CCMA's dedicated focus and commitment to resolve potentially strike related matters and contribution to labour market stability.

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.4. Percentage of section 71 of the LRA cases conducted (as and when referred)	98.9%	86% (6/7)	100%	100.00% (6/6)	0%	N/A
		4.1.1.5. Percentage of section 73 of the LRA cases conducted (as and when referred)	New	100% (21/21)	100%	100.00% (12/12)	0%	N/A
		4.1.1.6. Percentage of section 75 of the LRA cases conducted (as and when referred)	New	100%	100%	100% (2/2)	0%	N/A
		4.1.1.7. Number of self-initiated cases conducted in order to determine whether or not the whole or part of any service is an essential service	2	3	2	3	1	Overachievement of this indicator is attributed to the ESC conducting a self-initiated investigation on whether cleaning services in public health should be designated as essential. This was due to a gap identified on the public health designation made on 27 March 1998 wherein cleaning was not included as an essential service. Furthermore, considering the pandemic, the ESC decided to institute an investigation and cleaning services in public health was designated as essential.
	4.1.2. High quality of services rendered	4.1.2.1. Quality of awards index achieved	New	88% (10 636/12 127)	97%	97.46% (17 107/17 552)	0.46%	Overachievement is attributed to several control measures put in place to improve award quality.

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
4.2. Improved access to CCMA services	4.2.1. Improved access and knowledge of CCMA services	4.2.1.1. Number of Users who access CCMA services from identified sectors reached	New	124 278	80 000	119 584	39 584	Overachievement on this target is attributable to the increase in the number of Users who accessed CCMA services. This could also be exacerbated by the relaxing of the state of national disaster lockdown levels which opened up activities in the labour market and also led to some job losses in most of the identified vulnerable sectors.
		4.2.1.2. Percentage of advocacy campaign plan implemented	100%	100% (4/4)	100%	124.43% (219/176)	24.43%	Overachievement on this indicator is attributed to the conducting of additional radio talkshows and User forum meetings requested by Users over and above those planned by the CCMA.
4.3 Jobs saved	4.3.1 Averted job losses	4.3.1.1. Percentage of jobs saved compared to employees likely to be retrenched (as per the cases referred to the CCMA)	40%	42% (58 165/138 816)	38%	39.86% (18 715/46 953)	1.86%	Overachievement on this indicator is attributed to the CCMA's commitment and resilience to save jobs in trying economic circumstances.
		4.3.1.2. Return to Work index achieved	New	9.7% (3 469/35 775)	8%	8.35% (3 485/41 713)	0.35%	Overachievement on this indicator is attributed to the CCMA's commitment and resilience to save jobs in trying economic circumstances.
4.4. Reduced potential for industrial action	4.4.1. Reduced labour market volatility	4.4.1.1. Percentage of public interest disputes resolved	60%	93% (112/121)	64%	94.48% (137/145)	30.48%	Overachievement on this indicator is attributed to the CCMA's active monitoring of unresolved wage disputes, making appropriate offers of assistance and assigning skilled Commissioners to attend to these in an ongoing effort to contribute to labour market stability.

3.4.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no underperformance registered for this programme.

3.4.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2021/22 financial year there were no COVID-19 pandemic interventions implemented for this programme.

3.4.4. LINKING PERFORMANCE WITH BUDGET

TABLE 17: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES: LINKING PROGRAMME WITH BUDGET

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Four (4)	732 848	710 347	22 501	685 294	690 970	(5 676)
Total	732 848	710 347	22 501	685 294	690 970	(5 676)

3.5. PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE

TABLE 18: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE

PROGRAMME FIVE (5)	EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE
Programme Purpose	The continuous scanning of the organisation's internal and external operating environment through research and strategic forecasting is core to successful strategy implementation and service delivery. This will result in the organisation's ability to forecast strategy effectiveness and proactively respond to changes. To sustain the catalytic environment for successful strategy implementation and governance within the changing organisational environment, the CCMA will also focus on initiatives that deploy risk and governance failure mitigation strategies through development and implementation of an integrated governance, compliance, and risk framework. Good governance ensures organisational integrity, operational excellence and enables the maintenance of partnerships and impactful implementation of the strategy.
Institutional Outcomes	• Optimised governance level

3.5.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The CCMA implemented 114.81% of the Risk Management Plan and 133.33% of the Compliance Management Plan to maintain optimum risk and compliance maturity levels of 5. This contributes to the achievement of an optimised level which in turn minimises governance failures and risk of audit findings, thus preserving the integrity and reputation of the organisation.

TABLE 19: PERFORMANCE OF PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE

PROGRAMME/SUB-PROGRAMME: EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/20	AUDITED ACTUAL PERFORMANCE 2020/21	PLANNED TARGET 2021/22	ACTUAL ACHIEVEMENT 2021/22	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2021/22	REASONS FOR DEVIATIONS
5.1. Optimised governance level	5.1.1. Generation of business intelligence	5.1.1.1. Number of strategic forecasting and situational analysis conducted	New	1	1	1	0	N/A
	5.1.2. Good governance	5.1.2.1. Percentage of Compliance Management Plan implemented	100%	110% (44/40)	100%	133.33% (56/42)	33.33%	Overachievement on this indicator is attributed to the additional Compliance Regulatory Universe (CRU) that was conducted with the departments and provinces, which includes CRU validation, POPIA awareness sessions and unpredictable testing on conformance to policy on COVID-19.
		5.1.2.2. Percentage of the Risk Management Plan implemented	New	123% (69/56)	100%	114.81% (62/54)	14.81%	Overachievement on this indicator is attributed to adhoc activities conducted.

3.5.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no underperformance registered for this programme.

3.5.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2021/22 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.5.4. LINKING PERFORMANCE WITH BUDGET

TABLE 20: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE: LINKING PROGRAMME WITH BUDGET

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Five (5)	33 773	29 678	4 096	34 746	33 153	1 593
Total	33 773	29 678	4 096	34 746	33 153	1 593

4. REVENUE COLLECTION

TABLE 21: REVENUE COLLECTION

PROGRAMME/ ACTIVITY/ OBJECTIVE	2021/22			2020/21		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	994 984	994 984	-	935 810	935 810	-
NEDLAC Funding	8 000	8 000	-	-	-	-
Conscientious Objector funding	600	1 438	(838)	2 000	1 339	661
Investment Income	4 960	6 086	(1 126)	7 586	5 654	1 932
Services Rendered	4 500	5 029	(529)	9 735	10 551	(816)
Other Income	-	1 893	(1 893)	-	2 184	(2 184)
Gain on foreign exchange	-	581	(581)	-	-	-
Donations Received	-	39	(39)	-	-	-
Total	1 013 044	1 018 050	(5 006)	955 131	955 537	(407)

The main source of revenue for the CCMA was the government grant of R995 million (2021: R936 million). Other revenue comprises rendering of services and investment income. An additional grant transfer of R838 thousand was received from DEL to assist with conscientious objectors for the 2021/22 financial year.

Investment income collected during the current financial year was higher than the projected income by R1.1 million (22.7%) due to favourable interest received on funds invested with the Corporation for Public Deposit (CPD). The over collection of revenue from rendering of services was due to increased demand on discretionary services offered by the CCMA. Other income and donations received were not budgeted for due to the nature of the income we receive. The income includes items such as insurance, bursary recoveries, employee debts, amongst other things.

5. CAPITAL INVESTMENT

5.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

TABLE 22: CCMA CAPITAL INVESTMENT

ASSET CLASS	OPENING BOOK VALUE (R)	ADDITIONS YTD (R)	DISPOSALS YTD (R)	DEPRECIATION (R)	ASSET UNDER DEVELOPMENT (R)	TRANSFERS (R)	CLOSING BOOK VALUE (R)
IT Equipment	20 824 921	7 141 331	(768 006)	(5 235 797)	-	-	21 962 449
Computer Software	15 336 265	18 225 220	(336 438)	(18 246 692)	299 750	-	15 278 105
Furniture and Fixture	7 736 795	-	(21 378)	(1 733 414)	-	-	5 982 003
Leasehold Improvement	661 304	105 928	-	(250 104)	-	(36 862)	480 266
Motor vehicle	85 843	-	(66)	(15 151)	-	-	70 626
Office Equipment	5 690 730	96 810	(10 290)	(878 335)	-	36 862	4 935 777
Leased Motor vehicle	1 754 905	-	-	(726 163)	-	-	1 028 742
Leased Office Equipment	70 560	11 736	(33)	(48 967)	-	-	33 296
Total	**52 161 323**	**25 581 025**	**(1 136 211)**	**(27 134 623)**	**299 750**	**-**	**49 771 264**

6. FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

TABLE 23: FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

ITEM	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000
Grant income and services rendered	885 402	986 512	999 845	955 537	1 018 051
Accumulated surplus	80 198	86 263	29 094	36 338	74 071
Interest received	11 763	14 762	13 420	5 654	6 086
Investments and cash	141 161	180 289	96 657	69 367	141 585
Current ratio	1.30	1.34	1	1	1.2

PART C

GOVERNANCE

1. INTRODUCTION

The Governing Body is responsible for exercising oversight over the CCMA to ensure adherence to principles of good Corporate Governance. Corporate Governance embodies processes and systems by which public entities are directed, controlled, and held accountable. In addition to legislative requirements public entities must comply with, Corporate Governance arrangements in the CCMA are implemented in line with the PFMA to ensure they run in tandem with the principles contained in the King IV™ Report on Corporate Governance.

2. PORTFOLIO COMMITTEE

The CCMA appeared before the Portfolio Committee on Employment and Labour on the following dates:

a) 4 May 2021 – to table the CCMA's 2021/22 APP;
b) 5 May 2021 – to attend a briefing session on the Strategic Plans and APP of the DEL;
c) 20 September 2021 – to table the CCMA's 2020/21 Annual Report;
d) 17 November 2021 – to attend a briefing by the Office of the AGSA to discuss the audit outcomes and Annual Reports of the DEL entities;
e) 15 February 2022 – to present the CCMA's 2021/22 First Quarter Performance Report;
f) 18 March 2022 – to table the CCMA's 2022/23 APP; and
g) 23 March 2022 – to present the CCMA's 2022/23 APP.

3. EXECUTIVE AUTHORITY

In compliance with the PFMA, Treasury Regulation 26.1 and Section 4.4 of the Revised Framework of Strategic Plans and Annual Performance Plans, the CCMA submitted the following documents to the Executive Authority during the 2021/22 financial year:

a) 30 July 2021 – 2021/22 First Quarter Integrated Report;
b) 27 August 2021 – 2020/21 Annual Report and addendum to the 2021/22 APP;
c) 29 October 2021 – 2021/22 Second Quarter Integrated Report and First Draft 2022/23 APP;
d) 27 January 2022 – 2021/22 Third Quarter Integrated Report, 2022/23 APP and Strategic Risk Register; and
e) 24 February 2022 – Re-submission of the 2022/23 APP and Strategic Risk Register.

4. THE ACCOUNTING AUTHORITY

The Governing Body is established in terms of Section 116 of the LRA. The Governing Body of the CCMA comprises of non-executive independent members appointed by the Minister of Employment and Labour through the NEDLAC for a period of three (3) years. The Governing Body consists of a Chairperson and nine (9) members as follows: Three (3) representatives from Organised Labour, another three (3) from Organised Business and another three (3) from the State (Government). The Director is an ex-officio Member of the Governing Body.

In terms of the PFMA, the Governing Body is the Accounting Authority with the primary responsibility of governing the CCMA. To ensure that the CCMA executes its mandate adequately, the Governing Body established Governing Body Committees in accordance with Section 121(1) of the LRA. The following are the Governing Body's Committees and their functions:

a) **Accreditation and Subsidy Committee (ASC):** Advises the Governing Body and exercises oversight on the accreditation and payment of subsidies to Bargaining Councils and Private Agencies as provided in Sections 127 to 132 of the LRA.

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

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

d) **Human Resources Committee (HRC):** Advises and exercises oversight responsibility for the Human Resources Management function of the CCMA and makes recommendations to the Governing Body on the organisation's Human Resources Strategy and its implementation. The HRC also performs the functions of the Remuneration Committee for the CCMA. The HRC also performs the functions of the Remuneration Committee (REMCO). REMCO exercises oversight over organisational structures, performance management, succession planning, implementation of the remuneration policy and framework, practices and related matters; and

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

The Governing Body and its Committees functioned against approved Charters. The Governing Body and its Committees executed their respective 2021/22 Work Plans in full with no activities outstanding.

5. GOVERNING BODY AND COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

During the 2021/22 financial year, the Governing Body meetings were held as follows:

TABLE 24: NUMBER OF 2021/22 GOVERNING BODY MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	3
TOTAL	**7**

TABLE 25: GOVERNING BODY MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

During the 2021/22 financial year, the Governing Body Membership was as follows:

Enos Ngutshane

DESIGNATION
Chairperson
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Diploma in Administrative Studies; Master of Public Administration and Professor in Theology
AREA OF EXPERTISE
Public Administration and Operational Safety
BOARD DIRECTORSHIPS
Institute of Retirement Funds Africa; SASRIA and Luthuli Peace and Development Institute
CCMA COMMITTEE MEMBERSHIP
GSEC
NO. OF MEETINGS ATTENDED
7

Sifiso Lukhele

DESIGNATION
Member: Organised Business Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Bachelor of Arts in Law and Bachelor of Laws (LLB)
AREA OF EXPERTISE
Employment Law; Human Resources; Employee Wellbeing and Negotiations
BOARD DIRECTORSHIPS
None
CCMA COMMITTEE MEMBERSHIP
HRC and PC
NO. OF MEETINGS ATTENDED
7

Kaizer Moyane

DESIGNATION
Member: Organised Business Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Bachelor of Arts and Bachelor of Laws (LLB)
AREA OF EXPERTISE
Labour Relations and Employment Law
BOARD DIRECTORSHIPS
Chairperson of Social and Transformation Policy Standing Committee (BUSA); Overall Business Convenor: NEDLAC and Commissioner with the National Minimum Wage Commission
CCMA COMMITTEE MEMBERSHIP
GSEC and ARC
NO. OF MEETINGS ATTENDED
7

Siobhan Leyden

DESIGNATION
Member: Organised Business Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Bachelor of Laws (LLB) and Masters of Laws (LLM)
AREA OF EXPERTISE
Labour Law
BOARD DIRECTORSHIPS
NEDLAC (ended December 2021); Compensation Fund Board, Alternate member, ended February 2021 and UIF Regional Appeals Committee (Gauteng)
CCMA COMMITTEE MEMBERSHIP
ASC
NO. OF MEETINGS ATTENDED
7

Thembinkosi Mkalipi

DESIGNATION
Member: Government Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
National Senior Certificate; Wits Management Advanced Programme and Masters in Labour Law
AREA OF EXPERTISE
Labour Relations
BOARD DIRECTORSHIPS
None
CCMA COMMITTEE MEMBERSHIP
HRC and ASC
NO. OF MEETINGS ATTENDED
6

Tshepo Mahlaela

DESIGNATION
Member: Government Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Baccalaureus Procurationis (BProc) and Master of Laws (LLM)
AREA OF EXPERTISE
Legal Specialist
BOARD DIRECTORSHIPS
Deeds Registries Regulation Board and Sectional Titles Regulations Board
CCMA COMMITTEE MEMBERSHIP
PC and GSEC
NO. OF MEETINGS ATTENDED
5

Conny Mametja

DESIGNATION:
Member: Government Representative
DATE APPOINTED: 1 December 2020
DATE RESIGNED/ END OF TERM: N/A
QUALIFICATIONS: Diploma in Public Administration; Bachelor of Administration (B Admin); Honours Public Administration and Master of Administration
AREA OF EXPERTISE: Public Management; and Corporate Services
BOARD DIRECTORSHIPS: ICLE Africa for Local Government Sustainability: non-Executive Director; Sam Nzima Foundation (Member); Bid Evaluation Committee at MEGA (Member); Governance, State Capacity and Institutional Development Cluster at the Department of Justice and Constitutional Development Cabinet Cluster (Member); Human Resource and Ethics Sub-Committee of Department of Justice and Constitutional Development (Chairperson); Finance Committee Department of Justice and Constitutional Development (Member); Integrated Planning Sub-Committee (Member) of Justice and Constitutional Development; Member of Finance Committee; Department of Justice and Constitutional Development and Member of Integrated Planning Sub-Committee
CCMA COMMITTEE MEMBERSHIP:
GSEC
NO. OF MEETINGS ATTENDED:
7

Riefdah Ajam

DESIGNATION:
Member: Organised Labour Representative
DATE APPOINTED: 1 December 2020
DATE RESIGNED/ END OF TERM: N/A
QUALIFICATIONS: Bachelor of Business Administration Degree; Post Graduate Diploma in Business Management and Masters of Business Administration
AREA OF EXPERTISE: Labour Relations
BOARD DIRECTORSHIPS: Human Resource Development Council (HRDC); NEDLAC Executive Committee (EXCO) and Management Committee (MANCO); Board Member of the Employment Service Board (ESB); Chairperson of the Employment Schemes Subcommittee of the ESB; Member of the National Science Technology Forum; Advisory Committee and Board Member of the Development Institute for Training; Support and Education for Labour (DITSELA); and Council Member of the Millennium Labour Council
CCMA COMMITTEE MEMBERSHIP:
GSEC
NO. OF MEETINGS ATTENDED:
7

Narius Moloto

DESIGNATION
Member: Organised Labour Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Labour Relations
AREA OF EXPERTISE
Labour Market and Labour Relations
BOARD DIRECTORSHIPS
Building Industry Invest; The Amber Cascades Trading and Big Sky Trading 249
CCMA COMMITTEE MEMBERSHIP
ARC and ASC
NO. OF MEETINGS ATTENDED
7

Bheki Ntshalintshali

DESIGNATION
Member: Organised Labour Representative
DATE APPOINTED
1 December 2020
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Labour Relations
AREA OF EXPERTISE
Labour Relations
BOARD DIRECTORSHIPS
Employment Services Board; Naledi; and NEDLAC International Labour Organisation (ILO) Governing Body and Member of the Human Resource Development Council (HRDC)
CCMA COMMITTEE MEMBERSHIP
HRC and PC
NO. OF MEETINGS ATTENDED
7

Cameron Sello Morajane

DESIGNATION
Ex officio Member
DATE APPOINTED
1 November 2017
DATE RESIGNED/ END OF TERM
N/A
QUALIFICATIONS
Bachelor of Jurisprudence; Bachelor of Laws; Alternative Dispute Resolution Diploma Corporate Law Postgraduate Diploma and Masters of Laws
AREA OF EXPERTISE
Labour Relations
BOARD DIRECTORSHIPS
None
CCMA COMMITTEE MEMBERSHIP
GSEC, ASC, ARC, HRC and PC
NO. OF MEETINGS ATTENDED
6

5.1. AUDIT AND RISK COMMITTEE (ARC)

During the 2021/22 financial year, the ARC meetings were held as follows:

TABLE 26: NUMBER OF 2021/22 ARC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	4
TOTAL	**8**

During the 2021/22 financial year the ARC Membership was as follows:

TABLE 27: ARC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Ashley Latchu	Member	01 April 2021	N/A	BSC IT Management; Honours Degree in IT; Masters in Science	ICT	The Performing Arts Centre – Free State (Member); The National Arts Council – Gauteng (Member); Tertiary Education and Research Network of South Africa (TENET) – Western Cape (Member); William Humphreys Art Gallery (WHAG) – Kimberley (Member); Greater Taung Economic Development Agency (GTEDA) – Taung, North West (Member); Current: Board Member – Social Housing; Regulatory Authority (SHRA) – Gauteng; Ekurhuleni East TVET College (EEC) – Ekurhuleni (Member); Gauteng Industrial Development Zone (GIDZ) – Gauteng (Member); Southern African Trust (SAT) (Member); Current: Board Member – Council for the Built Environment (CBE); Current: Audit and Risk Committee Member – Public Service Commission (PSC); Current: Audit and Risk Committee Member – eThekwini Municipality; Current: Audit and Risk Committee Member – The National Credit Regulator (NCR); Current: Audit and Risk Committee Member – Eastern Cape Department of Transport – Mayibuye Transport Corp; Current: Audit and Risk Committee Member – Social Housing Regulatory Authority (SHRA); Current: Audit and Risk Committee Member – Department of Justice and Constitutional Development (DOJ and CD); Current: Research and Innovation Committee Member – Quality Control for Trades and Occupations (QCTO); Current: Compliance Accreditation and Regulations Committee Member – Social Housing Regulatory Authority (SHRA); Current: Chairperson ICT Steering Committee – South African State Theatre (SAST); Current: ICT Governance Committee Member – National Regulator for Compulsory Specifications (NRCS); and Current: Facilities Planning, Infrastructure and Information Technology Committee – Sol Plaatje University (SPU).	ARC and ICT Steering Committee	8

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Vernon Makaleni	Member	1 April 2021	1 March 2022	BCom Accounting and Audit; Postgraduate Diploma in Management and Masters in Public Administration	Audit	Audit and Risk Committee – International Trade; and Administration Commission of South Africa (ITAC).	ARC	8
Tracy Cumming	Chairperson	1 April 2021	N/A	Chartered Accountant CA (S.A.) CTA; and BCOM	Finance	Eastern Cape Development Corporation (ECDC) – Board Member/Amatola Water Board – FINCO (Member); Own Haven (Member); NPC Audit Committee (Member) – Chairperson: EC Community Safety (Member); Government Fleet Management Services (Member); DEDEAT (Eastern Cape) – contract ended; Audit Committee Member – Eastern Cape Human Settlements; and Eastern Cape Gambling Board.	ARC	8
Linda Nene[1]	Member	26 August 2021	N/A	Bachelor of Commerce Accounting; Post Graduate Diploma in Management and Master of International Business GIA (S.A.) (General Internal Auditor – S.A.)	Risk and Compliance Management	Audit and Performance Committee Member: City of Cape Town Municipality; Independent Audit Committee Member: ETDP SETA; Independent Audit Committee Member: Western Cape Gambling and Racing Board (WCGRB); Independent Audit and Risk Committee Member: Coega Development Corporation (Pty) Ltd (CDC); Non-Executive Director: PetroSA Equatorial Guinea SOC Ltd Chairperson; Departmental Employee Performance Management System Member; Departmental Fraud and Risk Committee Member; Departmental Procurement Bid Committee Member; Provincial and Chief Risk Officers Forum Member and Co-Founder; National Treasury's Risk Managers' Forum Member; Chief Financial Officers Forum	ARC	1

[1] Mr. Linda Nene was appointed to the ARC on 26 August 2021.

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED/ END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS	CCMA COMMITTEE MEMBERSHIP	NO. OF MEETINGS ATTENDED
Kaizer Moyane	Member	11 January 2021	N/A	Bachelor of Arts; and Bachelor of Law	Labour Relations; and Employment Law	Chairperson of Social and Transformation Policy Standing Committee (BUSA); Overall Business Convenor: NEDLAC; and Commissioner with the National Minimum Wage Commission	GSEC and ARC.	8
Narius Moloto	Member	11 January 2021	N/A	Labour Relations	Labour Market; and Labour Relations	Building Industry Invest; The Amber Cascades Trading; and Big Sky Trading 249.	GB and ASC	8
Cameron Sello Morajane	Ex officio Member	1 November 2017	N/A	Bachelor of Jurisprudence; Bachelor of Laws; Alternative Dispute Resolution Diploma; Corporate Law Postgraduate Diploma; and Masters of Laws	Labour Relations	None.	GSEC, ASC, ARC, HRC and PC.	6
Conny Mametja	Member	11 January 2021	N/A	Diploma in Public Administration; Bachelor of Administration (B Admin); Honours Public Administration; and Master of Administration.	Public Management; and Corporate Services	ICLE Africa for Local Government Sustainability: Non-Executive Director; Sam Nzima Foundation (Member); Bid Evaluation Committee at MEGA (Member); Governance, State Capacity and Institutional Development Cluster at the Department of Justice and Constitutional Development Cabinet Cluster (Member); Human Resources and Ethics Sub-Committee of Department of Justice and Constitutional Development (Member); Finance Committee Department of Justice and Constitutional Development (Member); and Integrated Planning Sub-Committee (Member)	GB	3

5.2. ACCREDITATION AND SUBSIDY COMMITTEE (ASC)

During the 2021/22 financial year, the ASC meetings were held as follows:

TABLE 28: NUMBER OF 2021/22 ASC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	0
TOTAL	**4**

The composition of the ASC and meeting attendance for the 2021/22 financial year is outlined in the below:

TABLE 29: ASC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Thembinkosi Mkalipi	Chairperson	4
Siobhan Leyden	Member	4
Narius Moloto	Member	4
Cameron Sello Morajane	Ex-officio Member	3

5.3. HUMAN RESOURCES COMMITTEE (HRC)

During the 2021/22 financial year, the HRC meetings were held as follows:

TABLE 30: NUMBER OF 2021/22 HRC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	0
TOTAL	**4**

The composition of the HRC and meeting attendance for the 2021/22 financial year is outlined in the table below:

TABLE 31: HRC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Sifiso Lukhele	Chairperson	4
Bheki Ntshalintshali	Member	4
Thembinkosi Mkalipi	Member	4
Cameron Sello Morajane	Ex-officio Member	3

5.4. GOVERNANCE, SOCIAL AND ETHICS COMMITTEE (GSEC)

During the 2021/22 financial year, GSEC meetings were held as follows:

TABLE 32: NUMBER OF 2021/22 GSEC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	0
TOTAL	**4**

The composition of the GSEC and meeting attendance for the 2021/22 financial year is outlined in the table below:

TABLE 33: GSEC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Riefdah Ajam	Chairperson	4
Enos Ngutshane	Member	4
Kaizer Moyane	Member	4
Tshepo Mahlaela	Member	2
Cameron Sello Morajane	Ex officio member	3

5.5. PROCUREMENT COMMITTEE (PC)

During the 2021/22 financial year, the PC meetings were held as follows:

TABLE 34: NUMBER OF 2021/22 PC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	3
TOTAL	**7**

The composition of the PC and meeting attendance for the 2021/22 financial year is outlined in the table below:

TABLE 35: PC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

NAME	DESIGNATION	NO. OF MEETINGS ATTENDED
Bheki Ntshalintshali	Chairperson	7
Sifiso Lukhele	Member	7
Tshepo Mahlaela	Member	4
Namhla Siqaza*	Member	5
Cameron Sello Morajane	Ex officio member	5

* Ms Namhla Siqaza was appointed to the PC on 26 August 2021.

6. REMUNERATION OF THE GOVERNING BODY AND COMMITTEE MEMBERS

The CCMA Governing Body and its Committees are remunerated in line with National Treasury Guidelines and Regulations. The remuneration of the Governing Body and committees' members for the 2021/22 financial year is outlined in the table below:

TABLE 36: REMUNERATION OF THE GOVERNING BODY AND COMMITTEES' MEMBERS FOR THE 2021/22 FINANCIAL YEAR

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
	(R)	(R)	(R)	(R)
Enos Ngutshane	80 735	-	-	80 735
Sifiso Lukhele	158 445	-	-	158 445
Bheki Ntshalintshali	153 556	-	-	153 556
Narius Moloto	121 107	-	-	121 107
Kaizer Moyane	128 448	-	-	128 448
Tracy Cumming	92 173	-	-	92 173
Vernon Makaleni	52 296	-	-	52 296
Ashley Latchu	73 341	-	-	73 341
Riefdah Ajam	103 481	-	-	103 481
Siobhan Leyden	82 572	-	-	82 572
Conny Mametja*	N/A	N/A	N/A	N/A
Tshepo Mahlaela*	N/A	N/A	N/A	N/A
Thembinkosi Mkalipi*	N/A	N/A	N/A	N/A
Linda Nene*	N/A	N/A	N/A	N/A
Namhla Siqaza	24 312	-	-	24 312

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

7. CCMA REMUNERATION REPORT FOR THE 2021/22 FINANCIAL YEAR

The Governing Body of the CCMA is responsible for remuneration governance in the CCMA. The Remuneration Committee (REMCO) is mandated by the Governing Body to ensure the CCMA remunerates fairly, responsibly, and transparently to promote the achievement of the strategic objectives. The CCMA remuneration philosophy and policy are intended to incentivise behaviour to meet and exceed the strategic goals. In setting up the reward structure the CCMA takes cognisance of prevailing economic conditions, financial affordability as well as National Treasury directives.

7.1. REMCO AND KEY MATTERS CONSIDERED

The REMCO is responsible for overseeing and monitoring the development and implementation of the Policy on Remuneration of the CCMA. The REMCO is responsible for reviewing and approving recommendations made by Management in respect of all remuneration matters, including the remuneration of Executive Management.The REMCO has the prerogative to make remuneration decisions it deems appropriate within the approved framework and may propose amendments to any part of the CCMA's Policy on Remuneration as necessitated by changing circumstances. To fulfil its role as defined above, the REMCO undertook the following:

a) Approved the CCMA Remuneration Strategy/Framework (as and when required);
b) Monitored implementation of the CCMA Remuneration Strategy;
c) Considered and approved senior managers' performance awards;
d) Considered standard bargaining agreements (items for bargaining/wage negotiations) (as and when required); and
e) Considered the performance of the CCMA's retirement fund.

During the 2021/22 financial year, the REMCO considered and approved the following matters:

a) Salary review proposal for the 2021/22 financial year (for all employees including Executive Management). It should be noted that due to fiscal constraints no performance rewards were approved for the 2021/22 financial year;
b) Single year wage agreement with the CSA;
c) Updated information related to internal pay parity and the split of pay between all levels of employees (this was included as part of the salary review proposal and is a component of the monitoring of the implementation of the CCMA Remuneration Strategy); and
d) Quarterly basis information related to the CCMA's retirement fund.

7.2. FUTURE FOCUS AREAS

For the next financial year, REMCO will continue to focus on ensuring that the CCMA remunerates fairly, responsibly, and transparently to promote the achievement of the strategic objectives.

SIFISO LUKHELE
CHAIRPERSON OF REMCO

8. THE ESSENTIAL SERVICES COMMITTEE (ESC)

During the 2021/22 financial year, the ESC meetings were held as follows:

TABLE 37: NUMBER OF 2021/22 ESC MEETINGS CONVENED

TYPE OF MEETINGS	NUMBER OF MEETINGS
Ordinary Meetings	4
Special Meetings	1
TOTAL	**5**

During the 2021/22 financial year the ESC Membership was as follows:

TABLE 38: ESC MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

COMPOSITION OF THE ESC								
NAME	**DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)**	**DATE APPOINTED**	**END OF TERM**	**QUALIFICATIONS**	**AREA OF EXPERTISE**	**BOARD**	**OTHER COMMITTEES**	**NO. OF MEETINGS ATTENDED**
Luvuyo Bono	Chairperson	1 July 2018 (Re-appointed 1 January 2022)	31 January 2025	B. Juris; LLB; and LLM	Labour Law Corporate Governance	NEICT and ELRC	N/A	9
Joyce Nkopane	Deputy Chairperson – Senior CCMA Commissioner	1 July 2018 (Re-appointed 1 January 2022)	31 January 2025	BProc; LLB; and Higher Diploma in Corporate Law	Labour Law	Mbileni Tohlang and Nkopane Inc.; Senior Commissioner of the CCMA	N/A	12
Annelie Gildenhuys	Business	1 July 2018*	31 December 2021	PhD. Industrial Sociology; M.A. Industrial Sociology (2008); and BA Hons Industrial Sociology BA	Accredited Commercial Mediator	N/A	Commissioner of the Employment Equity Commission	9
Aruna Ranchod	Business	1 July 2018 (Re-appointed 1 January 2022)	31 January 2025	BA Law	Law and Labour Relations	N/A	N/A	9
Nomazotsho Memani	Local Government	1 July 2018 (Re-appointed 1 January 2022)	31 January 2025	BA andLLB	Human Rights Law; and Labour law	N/A	N/A	13
Zwelandile Ndlala*	Local Government	1 July 2018 (Re-appointed 01 January 2022)	31 January 2025	BA Honours Industrial Psychology; BA Law; Management Advancement Programme (MAP); and Higher Diploma: Industrial Relations	Labour Law	Registered Psychometrist; Registered Member of SABPP; Qualified Director and Member of IoDSA; and Member of BMF	SALGBC	8

COMPOSITION OF THE ESC								
NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	END OF TERM	QUALIFICATIONS	AREA OF EXPERTISE	BOARD	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Makhubalo Ndaba	Labour	1 July 2018	31 December 2021	B Juris; LLB; and LLM Employment Law	Labour Law	Advocate of the High Court of South Africa; Company Secretary; and Public Officer: (Financial Services Board)	POPCRU	10
Clement Marule	Labour	1 July 2018	31 December 2021	Labour Law Certificate Negotiation Skills for the World of Work (ILO); Post Graduate Diploma: Labour Law; and Certificate: Labour Relations Management; and Certificate: Human Resource Management	Collective Bargaining and Negotiations; Dispute Management	N/A	Union Provincial Executive Committee and Central Executive Committee	9
Zanenceba Tamela*	Labour	1 January 2022	31 January 2025	Bachelor of Arts (Honours) – History; Master of Arts – Labour Policies and Globalisation; and Certificate in Trade Union Leadership and Management	Collective Bargaining Practitioner	Member of The South Rand Hospital Board	N/A	1
Kgakgamatso Matebe*	Labour	1 January 2022	31 January 2025	Honours in Labour law; and BTech-Human Resources	Labour Law and HR	N/A	N/A	1
Ramasela Mokonyama *	Business	1 January 2022	31 January 2025	MPhil ER; Certificate Programme in Labour Dispute Resolution Practice; Postgraduate Diploma in Labour Law; and B.Admin	Human Resources	N/A	N/A	1

* The Committee's three-year term came to an end on 30 June 2021 and extended from 01 July 2021 to December 2021 and new members were appointed as of 01 January 2022, i.e: Kgakgamatso Matebe, Ramasela Mokonyama and Zanenceba Tamela.

During the 2021/22 financial year, the following members of the ESC were remunerated as follows:

TABLE 39: REMUNERATION OF ESC MEMBERS FOR THE 2021/22 FINANCIAL YEAR

NAME	REMUNERATION (R)	OTHER ALLOWANCE (R)	Total Number of Cases And Meetings
Luvuyo Bono	1 265 688	21 600	255
Joyce Nkopane	762 733	14 400	162
Annelie Gildenhuys	297 418	-	51
Aruna Ranchod	393 170	-	86
Nomazotsho Memani	301 233	-	52
Zwelandile Ndlala	268 424	-	53
Makhubalo Ndaba	344 152	-	63
Clement Marule	279 578	-	63
Kgakgamatso Matebe	69 711	-	19
Zanenceba Tamela	69 711	-	19
Ramasela Mokonyama*	-	-	1

* Ramasela Mokonyama is employed by private health and she does not tender any claims

9. RISK MANAGEMENT AND INTERNAL CONTROL

The CCMA has adopted Enterprise-Wide Risk Management (ERM) as an essential part of effective Corporate Governance. The CCMA has an approved Policy on Risk Management which declares the CCMA's commitment to ERM. The CCMA also has in place ERM governance documents which provide for continuous risk identification, assessment, mitigation and internal control.

The National Treasury Financial Management Capability Maturity Model is used to assess the CCMA's risk management maturity level, monitoring progress in implementing ERM within the organisation. During the 2021/22 financial year, the CCMA has maintained a level five (5) risk maturity rating, meaning that the CCMA has an optimised risk maturity level with a focus on embedding the risk culture across the organisation. The ERM's efforts have resulted in the mitigation of the CCMA's main inherent risks that the CCMA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels.

During the 2021/22 financial year, the CCMA registered a 71% risk profile. This is an increase when compared to the 60% registered in the 2021/22 financial year. Action plans outstanding or partially completed will be transferred to the Opportunities Risk Register.

Each department and provincial office within the CCMA developed and maintained their respective Operational Risk Registers, which outlined the identified operational risks and the accompanying response strategies to address the risks.

Regular risk assessments were conducted in line with the risk management timetable to identify new and emerging risks.

The 2021/22 Business Continuity Management (BCM) Implementation Plan was effectively implemented, resulting in the review and approval of BCM plans and the revision of the BCM Roadmap. The BCM governance documents were also reviewed to ensure the governance culture relating to BCM processes remains relevant.

The ERM function reported quarterly to the ARC on all its activities and its functionality, including the risk maturity of the organisation. The ARC continued to provide an oversight role over the CCMA's ERM function by monitoring the effectiveness of the CCMA's risk management processes. The ARC also exercised stringent oversight over the CCMA's ERM Risk Profile through the monitoring of the risk appetite and tolerance levels set by the Governing Body during the 2021/22 financial year. This is to ensure the CCMA's ERM is within acceptable levels. During the financial year under review, the National Management Committees and Executive Risk and Compliance Management Committee were operational as planned. The mandates of these Committees are to assist the ARC in discharging its oversight responsibility for the adequacy of the CCMA's ERM function.

10. COMPLIANCE WITH LAWS AND REGULATIONS

The CCMA is committed to a philosophy of Integrated Compliance Risk Management as a core managerial capability, which is aligned to the principles of the King IV™ Report on Corporate Governance. The standards set by the Compliance Institute of South Africa, and the legislative requirements of the PFMA.

The Compliance Management Function (CMF) executed its mandate of identifying strategic and operational compliance gaps utilising its compliance metholodogy and governance documents. As at the end of the 2020/21 financial year, the CCMA maintained an optimum compliance maturity level of five (5).

The CCMA's 2021/22 CRU had 48 pieces of legislation that identified what the CCMA must comply with, with the application of the Risk Management Model statistically identifying 20 statutes. High-risk statutes were identified, monitored, and evaluated more regularly to minimise reputational damage, litigation, fines and penalties, and loss of an unqualified audit. Stringent testing was conducted on the identified high-risk statutes through Compliance Risk Management Plans (CRMPs), with conformance testing conducted on compliance with policy and procedures.

The ARC exercised stringent oversight over the CMF during the 2021/22 financial year to ensure its functionality and adequacy.

11. INTERNAL AUDIT

The Internal Audit Function of the CCMA reports functionally to the ARC and administratively to the Director. The purpose, authority, and responsibility of the Internal Audit Function are formally defined in the Audit Charter, which is reviewed and approved by the ARC. The Internal Audit Function executes its work according to the standards of the Institute of Internal Auditors (IIA) and Treasury Regulations. For the best management practice, reference is made to the King IV™ Report on Corporate Governance, principle 15, which outlines that the Governing Body should ensure assurance services and functions enable an effective environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Internal Audit Function of the CCMA helps the organisation accomplish its objectives by bringing a systematic, disciplined approach when evaluating and improving the effectiveness and efficiency of risk management, control, and governance processes. Internal Audit Function is independent, objective assurance and consulting activity designed to add value and improve the organisation's operations.

The Internal Audit Function also assists the organisation in achieving its objectives by evaluating and developing recommendations for the enhancement or improvement of the processes through which objectives and values are established and communicated, the accomplishment of objectives is monitored, accountability is ensured, and corporate values are preserved. The controls, subject to evaluation, encompass the information systems environment, the reliability and integrity of financial and operational information, the effectiveness of operations, safeguarding of assets, and compliance with laws, regulations, and controls.

The Internal Audit Function performs its work in line with the risk-based plan approved by the ARC, which is reviewed throughout the financial year to ensure that key risk areas are adequately considered. Audit assignments executed during the 2021/22 financial year were balanced to enable Internal Audit to have a fair view of the state of the control environment within the organisation.

12. FRAUD AND CORRUPTION

The CCMA has established a Complaints and Ethics Management Function aligned with the Public Sector Integrity Framework, the King IV™ Report on Corporate Governance and the PFMA. All relevant governance documents are in place to enable the Complaints and Ethics Management Function to execute its mandate. The 2021/22 Fraud and Ethics Implementation Plan was implemented successfully.

During the 2021/22 financial year, the CCMA appointed an external service provider; Advance Call to manage its anonymous whistleblowing hotline from 1 January 2021 until 31 December 2023. The CCMA's Be Honest Fraud Hotline is implemented in line with the Protected Disclosure, 2000 (Act No. 26 of 2000) to ensure confidentiality and the protection of the whistleblowers' rights who have tendered disclosures in good faith. Details for reporting suspected fraud and/or ethical infringements are as follows:

a) Hotline number: 0860 666 348
b) Email: ccma@behonest.co.za
c) WhatsApp number: 0860 004 004
d) Online chat: www.behonest.co.za
e) Postal address: BNT165, Brooklyn Square, 0075

During the 2021/22 financial year, the CCMA received 16 alleged fraudulent incidents through its Be Honest Fraud Hotline. Of the 16 incidents, 11 of them were investigated and found to have no merit. Three (3) cases were reported to the South African Police Services (SAPS). Two (2) cases remained opened at the end of the financial year, with internal investigations ongoing. The CCMA maintains a zero-tolerance stance against fraudulent or corrupt activities and pledges to ensure that appropriate action is taken where proper evidence of fraud exists.

13. GIFTS, DONATIONS AND SPONSORSHIP REGISTER

The CCMA has in place a Policy on Gifts, Donations and Sponsorships as well as a related SOP. This policy regulates the granting and receipt of gifts, donations and sponsorships by the CCMA and its employees.

During the 2021/22 financial year, a total of 22 gifts were declared by CCMA Employees, with 19 gifts being accepted as they were below the allowable gift threshold of R350 as per the Policy on Gifts, Donations and Sponsorships. Three (3) gifts were declined as they were above the threshold. During the 2021/22 financial year, the Governing Body approved the receipt of two (2) donations to the CCMA.

The GSEC exercised stringent oversight over the Gifts, Donations and Sponsorship Register during the 2021/22 financial year.

14. MINIMISING CONFLICT OF INTEREST

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

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

15. CODE OF CONDUCT

The CCMA has a Code of Conduct for Employees and and a Code of Conduct for Commissioners that serve as a guideline for acceptable standards of conduct expected from employees and Commissioners in line with the values of the CCMA. These Codes regulate and foster good and ethical behaviour. The CCMA also has a Code of Conduct for Governing Body and Committee members aimed at promoting ethical leadership and good governance as envisioned by King IV™ Report on Corporate Governance.

16. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the 2021/22 financial year, the CCMA continued to effectively manage the impact of the COVID-19 outbreak. The CCMA established the COVID-19 Steering Committee to effectively manage the impact of the COVID-19 pandemic and to ensure the organisation complies with COVID-19 regulations, new guidelines and directives.

The CCMA actively encouraged all qualifying employees as well as PTCs to participate in the national vaccination drive. As of 31 March 2022, 51% of fulltime employees were vaccinated, with 65% of the independent contractors vaccinated. During the 2021/22 financial year, the CCMA recorded a total of 389 positive COVID-19 cases and 12 deaths.

The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) requires the employer to provide and maintain as far as reasonable and practical a work environment that is safe and without risk to the health of employees. This means the employer must ensure the workplace is free of hazardous ergonomics and substances, microorganisms, amongst others, which may cause injury or diseases. Where this is not possible, the employer must inform the employees of the risks and dangers, and how these may be prevented. Thus, the CCMA is legally obliged and committed to create a healthy and safe working environment for all its employees and Users.

To ensure a healthy and safe working environment, a footprint of Occupational Health and Safety (OHS) Committees have been established in the CCMA offices across the country, and regular safety inspections are conducted in all CCMA offices to assess the effectiveness of health and safety measures. The CCMA also conducts regular training to ensure its employees are up to date with the legislative requirements and especially their role in ensuring a safe working environment.

17. GOVERNING BODY SECRETARY

The Governing Body Secretary Function is performed by the Governance and Secretariat Services Unit (GSS), which reports into the Governance and Strategy Department. The GSS Unit is mandated amongst others, to provide governance advisory and secretariat services to the CCMA Governance and Management structures. The GSS Unit is also required to ensure the functionality of the governance and management structures of the CCMA to mitigate governance failures, improve organisational and governance processes, and assist the organisation to strive for maximum compliance to legislation, policies, and best practice.

The position of the Manager: GSS was vacant during the 2021/22 financial year. Consequently, the Governance and Strategy Department head, the Executive: Governance and Strategy, Ms Annah Mokgadinyane, caretook the function of Governing Body Secretary.

18. SOCIAL RESPONSIBILITY

During the 2021/22 financial year, the CCMA, in meeting its social responsibility, executed the following Corporate Social Responsibility (CSR) initiatives and activities:

a) Nelson Mandela Legacy Programme;
b) Nelson Mandela Day;
c) Cell C Take a Girl Child to Work Day; and
d) Tracker Tomorrow's Men.

Nelson Mandela Legacy Programme

The Nelson Mandela Legacy Programme is CCMA's flagship CSR programme designed to advance Honourable Nelson Mandela's legacy which championed community upliftment and socio-economic development within disadvantaged communities. The CCMA CSR focus for the 2021/22 financial year, was youth empowerment, and as such a donation of R26 thousand, which emanated from previous contributions made by employees and independent contractors, was handed over to the Get Informed Youth Development Centre on 25 March 2022.

The Get Informed Youth Development Centre is located at 3850 Ms Sango and Edward Avenue, Phomolong, Tembisa, and provides multipurpose entry point services such as information referrals, social awareness or preventive programmes, skills development, women empowerment, and entrepreneurial development for the historically disadvantaged communities. The centre utilised the funds to buy +/-20 tablets (devices) to assist end-user computing classes and linkages and other day-to-day programmes.

Nelson Mandela Day

The CCMA celebrated Madiba's life and legacy by joining the global movement to honour his life's work and act to change the world for the better by celebrating Nelson Mandela Day under the theme #EACH1FEED1 #ACTIONAGAINSTPOVERTY. Time, food parcels to the value of R35 thousand and other non-perishable items were donated to beneficiaries identified by CCMA provinces throughout the country to assist the previously disadvantaged communities. Through this initiative, the following shelters and homes benefited: Gauteng: Childline Gauteng Orange Farm; East London: King Williams Town Child and Youth Centre; Ekurhuleni: Kids Heaven; Free State: House of Compassion Child and Youth Care Centre; Johannesburg: Kgatliso Children's Home; KwaZulu-Natal: House of Docas; Limpopo: Hlatlaganya Centre; Mpumalanga: Madressa Tul-Umar; North West: Siyakha Isizwe Multi-Purpose Centre; Northern Cape: Caritas Child and Youth Centre; Port Elizaberth: Thamsanqa Cluster Foster-Care Home; Tshwane: Tshwarahanang Children's Home; and Western Cape: Ons Plek Projects.

Cell C Take a Girl Child to Work Day

The CCMA country-wide participated in the 19th Cell C Take a Girl Child to Work Day under the theme #MoreThanADay. The main purpose of the initiative was to motivate and inspire girl children to reach their full potential through exposure to diverse careers and positive role models. Information on available study funding and entrepreneurial opportunities post-matric was shared with the learners. Learners from the following schools benefited from the initiative: East London: Southernwood High School; Ekurhuleni: Dalpark Training Academy; Free State: St Patricks High School; Gauteng: Magaliesburg State School, Magaliesburg Secondary School, Mandisa Shixeka Secondary School, TM Letlhake Secondary School, Hlomphanang Secondary School and Boipelo Secondary School; KwaZulu-Natal: Lamontville High School; Limpopo: Westernburg High School; Mpumalanga: Witbank High School; North West: Sekete High School, Tirelong Secondary School and Maatsukubyane Secondary; Northern Cape: Homevale High School; Port Elizabeth: Mfesane High School; and Western Cape: Futures Academy.

Tracker Tomorrow's Men Programme

The CCMA country-wide participated in the Tracker Tomorrow's Man Programme, an initiative endorsed by the Department of Basic Education which calls on all corporates to play an active role in grooming male learners to become responsible citizens and leaders of tomorrow. The programme targeted public schools in underprivileged communities which performed poorly on their academic annual results, and it positively impacted 216 learners from the following schools: East London: Bulelani Senior Secondary School; Free State: Tsoseletso High School; Johannesburg: Thuto Lefa Secondary School; KwaZulu-Natal: Lamontville Secondary School; Limpopo: Shirilele High School; Mpumalanga: Elukhanyisweni Senior Secondary; Gauteng: Simunye Secondary School; North West: Vuyani Mawethu Secondary; Northern Cape: Roodepan High School; Port Elizabeth: Kwezi High School; Tshwane: Dan Kutumela High School; and Western Cape: Livingstone High School.

19. AUDIT AND RISK COMMITTEE REPORT FOR THE 2021/22 FINANCIAL YEAR

We are pleased to present our report for the financial year that ended 31 March 2022.

19.1. ARC MEMBERSHIP

As per the approved ARC Charter, the ARC is comprised of seven (7) members: three (3) appointed Governing Body members and four (4) independent members. Three (3) independent members were appointed with effect from 1 April 2021 and one (1) independent was appointed with effect from 26 August 2021. The ARC was duly constituted during the 2021/22 financial year.

19.2. ROLES AND RESPONSIBILITIES

The approved ARC Charter governs the ARC and outlines the roles and responsibilities of the ARC that must be executed in line with Section 55(1)(a) of the PFMA, Treasury Regulation 27 and the King IV Report on Corporate Governance.

The work of the ARC for the 2021/22 financial year was governed by the 2021/22 ARC WorkPlan, which outlined the activities of the ARC for the financial year. The ARC executed all its planned activities for the 2021/22 financial year, with no activities outstanding. The ARC discharged its roles and responsibilities on the following matters:

a) Internal financial controls and internal audit;
b) Accounting policies;
c) Financial and non – financial performance reporting;
d) Governance, risk and compliance management;
e) ICT Governance; and
f) Any other matters delegated to the ARC by the Governing Body.

19.3. ARC MEETINGS

During the year under review, eight (8) ARC meetings (ordinary and special) were convened by the ARC.

19.4. THE EFFECTIVENESS OF INTERNAL CONTROLS

The ARC performed its oversight role in ensuring reliability and accuracy of financial reporting, performance management, effective governance, business continuity, and ethics management, as well as risk and compliance management.

Furthermore, the ARC also exercised oversight over the performance of the ICT Function, activities, and risks. The ARC also applied oversight over the Internal Audit Function, which also facilitated the implementation of the combined assurance model.

Through the review of Management Reports and ARC sub-committees' reports, the ARC took decisive actions to address the internal control deficiencies, when it was considered necessary, and made appropriate recommendations to the Governing Body.

19.5. ACTION PLANS

The ARC continued to monitor implementation of Management's corrective action plans as they arose from assurance providers' reports. This process has created an environment that has efficient and effective internal controls. The AGSA process for the 2021/22 financial year confirmed that out of ten (10) external audit findings raised, four (4) findings were still being implemented by Management as of 31 March 2022. The ARC is committed to effectively monitor the implementation of the agreed corrective action plans to prevent repeat findings.

19.6. EXTERNAL AUDIT

The ARC concurs and accepts the AGSA conclusions on the audit of the AFS, Annual Performance Report, and compliance with legislation for the 2021/22 financial year, as per the AGSA Report. Accordingly, the ARC recommended the AGSA Report to the Governing Body.

19.7. WORDS OF APPRECIATION

The ARC would like to extend its gratitude to the Governing Body, Management, the Internal Audit Function, the AGSA and ARC's Sub-Committees, for supporting the work of the ARC during the period under review.

TRACY CUMMING
CHAIRPERSON OF ARC

20. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Tabulated hereunder is the B-BBEE compliance performance information as required by the Broad-Based Black Economic Empowerment and as determined by the DTIC:

TABLE 40: B-BBEE COMPLIANCE PERFORMANCE INFORMATION FOR THE 2021/22 FINANCIAL YEAR

CRITERIA	RESPONSE YES / NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations with respect to economic activity in terms of any law	No	Not applicable in the current year
Developing and implementing a preferential procurement policy	Yes	CCMA has adopted and is implementing
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable in the current year
Developing criteria for entering into partnerships with the private sector	No	Not applicable in the current year
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment (B-BBEE)	No	Not applicable in the current year

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

During the 2021/22 financial year, the Human Resources Management's focus has continued to support the strategic objectives of the CCMA. The Human Resources Strategy is in place and was communicated to the CCMA employees.

The CCMA Human Resources Strategy for 2020 to 2025 aims to ensure the CCMA obtains the right quality and enough employees it requires; makes the optimum use of its human resources; can anticipate and manage surpluses and shortages of employees; and develops a healthy, multi-skilled, representative, and flexible workforce which enables the CCMA to adapt rapidly to a changing operational environment.

1.1. PERFORMANCE, KEY ACHIEVEMENTS AND STRATEGIC INITIATIVES FOR THE 2021/22 FINANCIAL YEAR

The 2021/22 financial year has been difficult, once again characterised by the COVID-19 pandemic. Adjustments made during the 2020/21 financial year related to working arrangements to ensure business continuity has been embedded and employees have adapted well to a hybrid working model. The ICT continued to support the changes to the hybrid working model with systems, tools and hardware to support remote working.

Despite these challenges, the Human Resources Plan registered a 155.69% performance.

Resourcing of the organisation continued to be the primary focus, whilst considering the organisation's fiscal challenges. Following the lifting of the vacancy freeze in July 2021, several appointments, were made from both internal and external candidates. It is important for talent management reasons, as well as employee engagement, that employees can rotate in roles for experience and career development. Further, it is preferable to also make internal appointments since existing employees have institutional memory, knowledge of culture and there are fewer delays in the learning curve and ability to hit the ground running. Almost 50% of appointments to critical roles were filled by internal candidates. However, it is also noted that external appointments take the organisation in a new direction and initiate organisation turnaround strategies as they bring with them fresh thinking and new ideas. The CCMA is comfortable that it achieved a balance between the appointment of external and internal candidates.

All planned training interventions were completed mostly by using digital platforms such as Microsoft Teams and Zoom. This approach has contributed significantly to improved use of allocated funds – "doing more with less".

The CCMA is mindful that it is emerging from a globally traumatic event, the effects of which will linger for some time to come. The CCMA, therefore, placed a heavy focus on Employee Wellness and has enhanced its offering to employees during the year through a variety of interventions, mostly delivered virtually, to support employees.

The Director approved the CCMA Employment Equity Plan for the next four (4) years (2021 to 2025), which is now aligned to the period of the CCMA five (5) year strategy. The CCMA is committed to achieving the objectives of this plan.

The relationship between the CSA and Management remains sound with parties having signed a one (1) year wage and substantive Agreement which is effective from 1 April 2022 to 31 March 2023.

1.2. KEY 2022/23 STRATEGIC INITIATIVES AND PROJECTS TO BE PURSUED

Human Resources Management will continue to encourage the CCMA's leadership structure to invest in its talent through the overarching Talent Management Programme and its related activities, as well as ensuring that robust performance management processes are undertaken across all levels of the organisation.

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

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Below are the Human Resource Management oversight statistics for the 2021/22 financial year.

The table below illustrates the CCMA Employee Demographics for the 2021/22 financial year:

TABLE 41: CCMA EMPLOYEE DEMOGRAPHICS

OCCUPATIONAL CATEGORY	JOB GRADE	FEMALE						MALE						GRAND TOTAL
		A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
Top Management	P01 and P02	3	0	0	0	0	3	1	0	0	0	0	1	4
Senior Management	P03	0	1	0	1	0	2	9	1	1	0	0	11	13
Professionally Qualified	P04 P05 and P06	70	12	8	10	1	101	90	12	2	7	4	115	216
Skilled technical	P07 P08 P09 P10 P11 and P12	330	31	6	9	1	377	241	9	1	1	2	254	631
Semi-Skilled	P13 and P14	24	4	0	0	0	28	17	2	0	0	0	19	47
Unskilled	P17	9	0	0	0	1	10	3	0	0	0	0	3	13
Total Permanent		436	48	14	20	3	521	361	24	4	8	6	403	924
Temporary Employees		4	0	0	2	1	7	2	2	0	0	0	4	11
Grand Total		440	48	14	22	4	528	363	26	4	8	6	407	935

The table below illustrates the CCMA core personnel for the 2021/22 financial year. This accounts for 68.1% of the employee complement and ensures the CCMA is capacitated to deliver on its mandate.

TABLE 42: CCMA CORE PERSONNEL

DESIGNATION	FEMALE						MALE						GRAND TOTAL
	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
Case Management Officers	133	15	4	3	0	155	62	5	0	1	0	68	223
Commissioners	47	9	3	7	1	67	77	12	2	7	1	99	166
Interpreters	113	5	0	0	0	118	121	1	0	0	0	99	240
Total Permanent	**293**	**29**	**7**	**10**	**1**	**340**	**260**	**18**	**2**	**8**	**1**	**289**	**629**

3. PERSONNEL COST BY DEPARTMENT/ PROVINCE

The personnel cost by department/province for the 2021/22 financial year is tabulated below.

TABLE 43: PERSONNEL COST BY DEPARTMENT/PROVINCE

DEPARTMENT/ PROVINCE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP.	NO. OF EMPLOYEES*	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Provinces	697 644	419 104	60.1 %	807	519
Office of the Director	14 091	8 107	57.5 %	11	737
Finance	108 447	61 485	56.7%	57	1 079
Dispute Resolution	36 842	28 052	76.1%	29	967
Internal Audit	14 275	10 668	74.7%	11	970
Shared Services	79 341	39 737	50.1%	54	736
Governance and Strategy	29 678	25 426	85.7%	33	770
TOTAL	**980 318**	**592 579**	**60.4%**	**1 002**	**5 778**

* Number of employees includes permanent and fixed-term as of 31 March 2022 including employees who terminated during the financial year

4. PERSONNEL COST BY SALARY BAND

The personnel cost by salary band for the 2021/22 financial year is tabulated below.

TABLE 44: PERSONNEL COST BY SALARY BAND

OCCUPATIONAL CATEGORY	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	15 621	2.64%	5	3 124
Senior Management	30 086	5.08%	13	2 314
Professionally qualified	223 213	37.67%	243	919
Skilled technical	311 299	52,53%	676	460
Semi-skilled	10 402	1.76%	50	208
Unskilled	1 958	0.33%	15	131
TOTAL	**592 579**	**100%**	**1 002**	**591**

5. PERFORMANCE REWARDS

There were no performance rewards issued during the 2021/22 financial year.

6. TRAINING COSTS

The training costs of the 2021/22 financial year are tabulated below:

TABLE 45: TRAINING COSTS

OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE (R'000)
Provide for continuous professional development aligned with the needs of the organisation and our people	592 579	7 639	1.29%	1 550	4 928

7. EMPLOYMENT AND VACANCIES

As at the end of the 2021/22 financial year, the overall number of funded vacancies stood at 50. The vacancy rate for all funded positions is five point one three percent (5.13%). The CCMA's view is that a vacancy rate of more than five percent (5%), but less than ten percent (10%) may be manageable for a limited period. If sustained over an extended period, operational efficiency will likely be severely compromised unless the vacancies are filled through acting or secondment appointments. Once the vacancy rate exceeds ten percent (10%), some functions may collapse.

The vacancy rate is constantly monitored with funded positions being advertised as soon as they become vacant. Rigorous talent attraction processes have been implemented such as stringent background and criminal checks, as well as subjecting candidates for senior positions to Psychometric Testing and preliminary interviews, where necessary. A key component of the talent management process is the encouragement of staffs' upward movement to more senior positions as informed by respective staff members' performance, skill sets and credentials attained in their current positions. It has been noted that another contributing factor to the increase in the CCMA's vacancy rate relates to the number of internal positions that are filled by internal candidates leaving their original positions vacant.

The vacancies at Senior Management Level typically receive prioritised attention owing to the already defined succession plans. At this level, where recruitment and strengthening the leadership bench typically takes slightly longer, a resource is placed in a vacant senior position on an acting basis. No position at this senior level has been vacant without an acting appointment for more than 30 days. Constant review of the organisation's remuneration framework and benchmarking against the market are among the measures implemented to ensure talent attraction and retention at this level.

The table 46 below outlines the employment and vacancy statistics for the 2021/22 financial year.

TABLE 46: EMPLOYMENT AND VACANCY STATISTICS

OCCUPATIONAL CATEGORY	2020/21 NO. OF EMPLOYEES	2021/22 APPROVED POSTS	2021/22 NO. OF EMPLOYEES	2021/22 VACANCIES	% OF VACANCIES
Top management	5	5	4	1	2%
Senior management	12	14	13	1	2%
Professionally qualified	232*	244	216	28	56%
Skilled technical	655	649	631	18	36%
Semi-skilled	46	49	47	2	4%
Unskilled	13	13	13	0	0%
TOTAL	**963**	**974**	**924**	**50**	**100%**

* Adjusted due to late terminations that transpired in March 2021.

8. EMPLOYMENT CHANGES

The table below outlines the employment changes in the 2021/22 financial year.

TABLE 47: EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS EXTERNAL	NEW INTERNAL APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	5	-	-	1	4
Senior Management	12	-	1	0	13
Professionally qualified	232*	4	1	21	216
Skilled technical	655	15	5	44	631
Semi-skilled	46	9	-7	1	47
Unskilled	13	0	0	0	13
TOTAL	**963**	**28**	**0**	**67**	**924**

* Adjusted due to late terminations that transpired in March 2021.

9. REASONS FOR EMPLOYEES LEAVING

The tabulation below outlines the reasons submitted for employees leaving the CCMA.

TABLE 48: REASONS FOR EMPLOYEES LEAVING

REASON	NUMBER	% OF TOTAL NO. OF EMPLOYEES LEAVING
Death	11	1.05%
Resignation	42	4.02%
Dismissal	3	0.28%
Retirement	9	0.86%
Ill health	-	-
Expiry of contract (Non-renewal)	2	0.20%
Other	-	-
TOTAL	**67**	**6.41%**

10. LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTIONS

The table below outlines the various forms of consequence management practices implemented within the 2021/22 financial year.

TABLE 49: CONSEQUENCE MANAGEMENT STATISTICS

NATURE OF CONSEQUENCE MANAGEMENT	NUMBER
Verbal warning	1
Written warning	29
Final written warning	23
Suspensions without pay	3
Demotions	0
Terminations	-
Resignations in lieu of dismissal	0
Non-renewal of contracts	2
Dismissals	3

11. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

The table below outlines the statistics on equity targets as well as the status of employment equity across male employees by occupational category.

TABLE 50: EQUITY TARGETS AND EMPLOYMENT EQUITY OF MALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL CATEGORY	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	1	2	0	0	0	0	0	1
Senior management	9	8	1	1	1	1	0	0
Professionally qualified	90	102	12	13	2	3	7	9
Skilled technical	241	260	9	16	1	2	1	2
Semi-skilled	17	19	2	2	0	0	0	0
Unskilled	3	3	0	0	0	0	0	0
TOTAL	**361**	**394**	**24**	**32**	**4**	**6**	**8**	**12**

The table below outlines the statistics on equity targets as well as the status of employment equity across female employees by occupational category.

TABLE 51: EQUITY TARGETS AND EMPLOYMENT EQUITY OF FEMALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL CATEGORY	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	3	3	0	0	0	0	0	0
Senior management	0	1	1	0	0	0	1	1
Professionally qualified	70	76	12	13	8	8	10	11
Skilled technical	330	330	31	29	6	6	9	12
Semi-skilled	24	22	4	4	0	1	0	0
Unskilled	9	9	0	0	0	0	0	0
TOTAL	**436**	**441**	**48**	**46**	**14**	**15**	**20**	**24**

The table below outlines the statistics of employees with disabilities.

TABLE 52: EMPLOYEES WITH DISABILITIES

OCCUPATIONAL CATEGORY	EMPLOYEES WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	1	1	0	1
Professionally qualified	2	2	2	0
Skilled technical	6	10	6	10
Semi-skilled	1	1	0	1
Unskilled	0	0	0	0
TOTAL	**10**	**14**	**8**	**12**

PART E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Commission for Conciliation Mediation and Arbitration set out on pages 102 to 159, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance , statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Commission for Conciliation Mediation and Arbitration as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practise (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

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

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. The governing body, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability

of the reported performance information against predetermined objectives for selected programmes objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 4 - Efficient and quality dispute resolution and enforcement services	52 - 56

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

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

- Programme 4 – efficient and quality dispute resolution and enforcement services

OTHER MATTER

15. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

16. Refer to the annual performance report on pages 44 to 58 for information on the achievement of planned targets for the year and management's explanations provided for the overachievement of targets. .

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA

OTHER INFORMATION

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

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

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

22. I did not receive the other information prior to the date of this auditor's report. When I do receive and read

this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
29 July 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

Statement of Financial Position

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	3	2 506 908	2 641 181
Receivables from exchange transactions	4	2 711 034	4 023 304
Prepayments	5	3 469 401	1 997 928
Cash and cash equivalents	6	141 585 473	69 367 452
		150 272 816	**78 029 865**
Non-Current Assets			
Property, plant and equipment	7	34 493 159	36 825 091
Intangible assets	8	15 278 105	15 336 265
		49 771 264	**52 161 356**
Total Assets		**200 044 080**	**130 191 221**
Liabilities			
Current Liabilities			
Finance lease liability	9	754 279	756 867
Operating lease liability	10	3 004 062	3 812 024
Payables from exchange transactions	11	57 360 785	34 845 928
Provisions	12	52 657 759	38 495 954
		113 776 885	**77 910 773**
Non-Current Liabilities			
Finance lease liability	9	382 298	1 124 828
Operating lease liability	10	11 814 020	14 818 088
		12 196 318	**15 942 916**
Total Liabilities		**125 973 203**	**93 853 689**
Net Assets			
Accumulated surplus		74 070 877	36 337 532
Total Net Assets		**74 070 877**	**36 337 532**

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Services rendered		5 028 648	10 550 686
Other income	14	1 893 454	2 184 335
Interest received on investments	15	6 085 881	5 653 513
Gain on foreign exchange		581 390	-
Total revenue from exchange transactions		**13 589 373**	**18 388 534**
Revenue from non-exchange transactions			
Transfer revenue			
Government grant and subsidies	16	994 984 000	935 810 000
Conscientious objector (sheriff costs)	18	1 438 192	1 338 917
Donations received	19	39 393	-
Other transfer revenue	17	8 000 000	-
Total revenue from non-exchange transactions		**1 004 461 585**	**937 148 917**
Total revenue	13	**1 018 050 958**	**955 537 451**
Expenditure			
Employee related costs	20	(592 578 874)	(591 244 723)
Administration expenses	21	(161 780 341)	(166 152 183)
Depreciation and amortisation	22	(27 134 623)	(29 588 309)
Finance costs	23	(130 860)	(161 711)
Bargaining councils subsidies	24	(4 087 696)	(3 644 593)
Loss on foreign exchange		-	(19 352)
Loss on disposal of assets		(1 136 211)	(43 827)
Operating expenses	25	(12 494 728)	(11 027 957)
Case disbursement expenses	26	(180 974 281)	(148 908 640)
Total expenditure		**(980 317 614)**	**(950 791 295)**
Surplus for the year		**37 733 344**	**4 746 156**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	29 094 333	29 094 333
Prior year adjustments (Note 37)	2 300 826	2 300 826
Balance at 01 April 2020 as restated*	**31 395 159**	**31 395 159**
Prior year adjustments (Note 37)	196 217	196 217
Surplus for the year	4 746 156	4 746 156
Balance at 01 April 2021	**36 337 533**	**36 337 533**
Surplus for the year	37 733 344	37 733 344
Balance at 31 March 2022	**74 070 877**	**74 070 877**

*See note 37 and 39

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Services rendered		6 340 918	8 045 389
Government grant and subsidies		994 984 000	935 810 000
Interest received on investments		6 085 881	5 653 513
Other transfer revenue		8 000 000	-
Conscientious objector funding		1 438 192	1 338 917
Other income		1 113 329	1 877 274
Proceeds from insurance		780 125	307 061
		1 018 742 445	**953 032 154**
Payments			
Employee related costs		(579 140 193)	(610 633 787)
Suppliers		(336 815 477)	(335 252 679)
Finance costs		(130 860)	(161 711)
		(916 086 530)	**(946 048 177)**
Net cash flows from operating activities	27	**102 655 915**	**6 983 977**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(7 355 805)	(16 009 800)
Purchase of intangible assets	8	(18 524 970)	(17 157 143)
Net cash flows from investing activities		**(25 880 775)**	**(33 166 943)**
Cash flows from financing activities			
Finance lease		(745 089)	1 399 238
Operating lease		(3 812 030)	(2 506 062)
Net cash flows from financing activities		**(4 557 119)**	**(1 106 824)**
Net increase/(decrease) in cash and cash equivalents		**72 218 021**	**(27 289 790)**
Cash and cash equivalents at the beginning of the period		69 367 452	96 657 241
Cash and cash equivalents at the end of the year	6	**141 585 473**	**69 367 451**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Services rendered	8 955 000	(4 455 000)	**4 500 000**	5 028 648	**528 648**	36
Other income	-	-	**-**	1 893 454	**1 893 454**	36
Gain on foreign exchange	-	-	**-**	581 390	**581 390**	36
Interest received on investments	4 960 000	-	**4 960 000**	6 085 881	**1 125 881**	36
Total revenue from exchange transactions	**13 915 000**	**(4 455 000)**	**9 460 000**	**13 589 373**	**4 129 373**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grant and subsidies	991 984 000	3 000 000	**994 984 000**	994 984 000	**-**	36
Conscientious objector funding (sheriff costs)	600 000	-	**600 000**	1 438 192	**838 192**	36
Donations received	-	-	**-**	39 393	**39 393**	
Other transfer revenue	-	8 000 000	**8 000 000**	8 000 000	**-**	36
Total revenue from non-exchange transactions	**992 584 000**	**11 000 000**	**1 003 584 000**	**1 004 461 585**	**877 585**	
Expenditure						
Employee related costs	(598 935 403)	9 473 628	**(589 461 775)**	(592 578 874)	**(3 117 099)**	36
Administration expenses	(182 025 336)	913 179	**(181 112 157)**	(161 780 341)	**19 331 816**	36
Depreciation and amortisation	(19 028 675)	(3 135 646)	**(22 164 321)**	(27 134 623)	**(4 970 302)**	36
Finance costs	(419 403)	(387 956)	**(807 359)**	(130 860)	**676 499**	36
Bargaining councils subsidies	(4 200 000)	676 455	**(3 523 545)**	(4 087 696)	**(564 151)**	36
Operating expenses	(24 545 560)	2 804 205	**(21 741 355)**	(12 494 728)	**9 246 627**	36
Case disbursement expenses	(175 844 623)	(16 988 863)	**(192 833 486)**	(180 974 281)	**11 859 205**	36
Total expenditure	**(1 004 999 000)**	**(6 644 998)**	**(1 011 643 998)**	**(979 181 403)**	**32 462 595**	
Surplus rolled over	**1 500 000**	**(99 998)**	**1 400 002**	**38 869 555**	**37 469 553**	
Loss on foreign exchange	(1 300 000)	800 000	**(500 000)**	-	**500 000**	36
Loss on disposal of assets	(200 000)	(700 002)	**(900 002)**	(1 136 211)	**(236 209)**	36
	(1 500 000)	**99 998**	**(1 400 002)**	**(1 136 211)**	**263 791**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**-**	**-**	**-**	**37 733 344**	**37 733 344**	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

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

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period. Where the accounting policies have been amended, this has been disclosed as such.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and

ACCOUNTING POLICIES

the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables from exchange transactions

The CCMA assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the CCMA makes judgements as to whether there is observable data including a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete inventory

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

The write down is included in surplus or deficit.

Impairment testing

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

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

Provisions

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

Useful lives of property, plant and equipment and intangible assets

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

Provision for impairment

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated

ACCOUNTING POLICIES

future cash flows discounted at the nominal interest rate method for statutory receivables, applied at initial recognition of the debt.

Litigation costs

Litigation costs based on the estimated legal fees, including but not limited to damages based on the probable costs' payable on completion of the cases against the CCMA.

Leave provision

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

The CCMA forfeits excess leave carried over to the next leave cycle if not taken within six (6) months at the end of the current leave cycle. A leave cycle refers to the period of twelve (12) months immediately following commencement of the employee's employment.

Other significant judgements, sources of estimation uncertainty and/or related information, have been disclosed in the related notes.

1.5 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

ACCOUNTING POLICIES

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	3-30 years
Motor vehicles	Straight-line	3-10 years
Office equipment	Straight-line	2-30 years
IT equipment	Straight-line	2-21 years
Leased assets	Straight-line	Lease period

Leasehold improvements are depreciated over the shorter of the asset's useful lives or the lease term. The depreciable amount of an asset is allocated on a systematic basis over its useful life.
The residual value, the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the CCMA. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The CCMA assesses at each reporting date whether there is any indication that the CCMA expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the CCMA revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

ACCOUNTING POLICIES

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

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

1.6 Intangible assets

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

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

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

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.
Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period, residual value and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software and licences	Straight-line	1-15 years

ACCOUNTING POLICIES

The amortisation of computer software and licences is calculated on a systematic basis over its useful life.

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

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

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

1.7 Inventories

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

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

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

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

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

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

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

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

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

1.8 Prepayments

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

ACCOUNTING POLICIES

1.9 Financial instruments

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

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

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from the CCMA's statement of financial position.

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

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

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

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the CCMA.

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

ACCOUNTING POLICIES

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

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

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

A residual interest is any contract that manifests an interest in the assets of the CCMA after deducting all its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of CCMA's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of the CCMA.

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

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the CCMA designates at fair value at initial recognition; or
- are held for trading.

Classification

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

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

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

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

Initial recognition

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

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

ACCOUNTING POLICIES

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The CCMA measures all financial assets and financial liabilities after initial recognition using the amortised cost method.

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

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

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

Reclassification

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

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

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Derecognition

Financial assets

The CCMA derecognises financial assets using trade date accounting. The CCMA derecognises a financial asset only when:

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

ACCOUNTING POLICIES

- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer

Financial liabilities

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

Presentation

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

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

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

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

1.10 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The CCMA recognises statutory receivables as follows:
- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

ACCOUNTING POLICIES

Initial measurement

The CCMA initially measures statutory receivables at their transaction amount.

Subsequent measurement

The CCMA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The CCMA derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Leases

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

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of on the remaining balance of the liability.

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

ACCOUNTING POLICIES

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Impairment of cash-generating assets

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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

Designation

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

The CCMA designates an asset or a cash-generating unit as cash-generating when:

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

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

Identification

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

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

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

ACCOUNTING POLICIES

Value in use

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

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

Basis for estimates of future cash flows

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

Composition of estimates of future cash flows

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

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

ACCOUNTING POLICIES

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

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

Cash-generating units

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

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

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

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:
- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

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

Reversal of impairment loss

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

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

ACCOUNTING POLICIES

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

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

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

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

Redesignation

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

1.13 Impairment of non-cash-generating assets

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

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

Designation

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

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

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

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

ACCOUNTING POLICIES

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

ACCOUNTING POLICIES

Reversal of an impairment loss

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

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

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

Redesignation

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

1.14 Provisions and contingencies

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

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

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

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

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

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

ACCOUNTING POLICIES

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

1.15 Accumulated surplus/deficit

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

1.16 Employee benefits

Employee benefits are all forms of consideration given by the CCMA in exchange for service rendered by employees.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:
- an CCMA's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Other long-term employee benefits are all employee benefits other than short term employee benefits, post-employment benefits and termination benefits.

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

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

Short-term employee benefits

Short-term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services:
- wages, salaries and social security contributions;
- paid annual leave, paid sick leave, paid study leave, etc.;
- bonus, incentive and performance related payments; and
- non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees.

The CCMA need not reclassify a short-term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change (such as a change from a non-accumulating benefit to an accumulating benefit) or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short-term employee benefits.

ACCOUNTING POLICIES

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

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

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

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an CCMA pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the CCMA during a reporting period, the CCMA recognises the contribution payable to a defined contribution plan in exchange for that service:

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

CCMA operates a defined contribution plan, the assets of which are held in separate trustee-administered funds. Payments to defined contribution retirement plans are charged to the statement of financial performance in the year to which they relate.

1.17 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments in line with the Standards of GRAP.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

ACCOUNTING POLICIES

1.18 Revenue from exchange transactions

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

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

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

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

Services rendered

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

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

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

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

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

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the CCMA, and
- The amount of the revenue can be measured reliably.

ACCOUNTING POLICIES

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.19 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the CCMA.

ACCOUNTING POLICIES

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

Gifts and donations, including goods in-kind

Gifts and donations, including goods in- kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the CCMA and the fair value of the assets can be measured reliably.

Services in-kind

The CCMA recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the CCMA and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the CCMA's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the CCMA disclose the nature and type of services in-kind received during the reporting period.

1.20 Finance costs

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

1.21 Tax

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

1.22 Translation of foreign currencies

Foreign currency transactions

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

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

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

ACCOUNTING POLICIES

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

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

1.23 Comparative figures

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

1.24 Fruitless and wasteful expenditure

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

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

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

For details on fruitless and wasteful expenditure – refer to note 34 - Fruitless and Wasteful expenditure.

1.25 Irregular expenditure

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

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

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

For details on irregular expenditure, refer to Note 35 - Irregular expenditure.

1.26 Budget information

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

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

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

The approved budget covers the fiscal period from 01/04/2021 to 31/03/2022.

ACCOUNTING POLICIES

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

1.27 Related parties

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

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the CCMA.

The CCMA is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the CCMA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the CCMA is exempt from the disclosures in accordance with the above, the CCMA discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The CCMA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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

1.29 Bargaining Councils subsidies

The CCMA provides subsidies to the Bargaining Councils which are accredited in terms of the LRA.

The cost of bargaining councils subsidies will be recognised as expenditure when the CCMA receives a completed claim form from the Councils on completed cases within the financial year the subsidies was awarded.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The CCMA has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
Directive 14 on The application of Standards of GRAP by public entities that apply IFRS® standards	01 April 2021	There is no impact

2.2 Standards and interpretations issued, but not yet effective

The CCMA has not applied the following standards and interpretations, which have been published and are mandatory for the CCMA's accounting periods beginning on or after 01 April 2022 or later periods:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 25: Employee Benefits	Not yet determined	Unlikely there will be a material impact
GRAP 104: Financial Instruments	01 April 2025	Impact is currently being assessed
Guideline on Accounting for landfill sites	Not yet determined	Unlikely there will be a material impact
IGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
IGRAP 7: The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)	Not yet determined	Unlikely there will be a material impact
Improvements to the Standards of GRAP	01 April 2023	Unlikely there will be a material impact
Amendments to GRAP 1 on Presentation of Financial Statements (2019)	01 April 2023	Unlikely there will be a material impact
Guideline on The Application of Materiality to Financial Statements	Not yet determined	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

3. Inventories

Consumables	2 173 386	2 605 763
Spare parts	333 522	35 418
	2 506 908	**2 641 181**

The inventory balance includes an inventory write off of R712 676 (2021: R41 996) due to inventory that has reached the end of its product life cycle and price write down.

Consumables consists of items such as toners, process manuals, COVID-19 related personal protective equipment and cleaning materials.

No inventory has been pledged as security.

4. Receivables from exchange transactions

Trade debtors	3 130 744	4 354 196
Other receivables	1 834 478	2 411 207
Provision for impairment	(2 254 188)	(2 742 099)
	2 711 034	**4 023 304**

Included in the balance of receivables from exchange transactions as at 31 March 2022, are amounts written off of R61 840 (2021: R459 075).

No trade and other receivables were pledged as security.

Trade and other receivables not past due

Trade and other receivables less than 30 days are not considered for impairment. As at 31 March 2022, R376 951 (2021: R1 336 997) were less than 30 days.

Current (less than 30 days)	**376 951**	**1 336 997**

Trade and other receivables past due but not impaired

At 31 March 2022, trade and other receivables R847 011 (2021: R579 882) were past due but not impaired.

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

120 days past due	**847 011**	**579 882**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R3 741 260 (2021: R4 848 524) were impaired and provided for.

The amount of the provision for impairment was R2 254 188 as of 31 March 2022 (2021: R2 742 099).

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

30 days	111 863	12 163
60 days	31 442	247 047
90 days	-	3 042 494
over 120 days	3 597 955	1 546 820
	3 741 260	**4 848 524**

Reconciliation of trade and other receivables - 2022	Trade receivables	Other receivables	Total
Trade and other receivables not past due	282	376 669	376 951
Trade and other receivables past due but not impaired	-	847 011	847 011
Trade and other receivables assessed for impairment	3 130 462	610 798	3 741 260
Provision for impairment	(1 643 389)	(610 799)	(2 254 188)
	1 487 355	**1 223 679**	**2 711 034**

Reconciliation of trade and other receivables - 2021	Trade receivables	Other receivables	Total
Trade and other receivables not past due	422 384	914 613	1 336 997
Trade and other receivables past due but not impaired	-	579 882	579 882
Trade and other receivables assessed for impairment	3 931 812	916 712	4 848 524
Provision for impairment	(1 825 387)	(916 712)	(2 742 099)
	2 528 809	**1 494 495**	**4 023 304**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	2 742 099	942 406
Provision for impairment	(487 911)	1 799 693
	2 254 188	**2 742 099**

5. Prepayments

Prepayments	**3 469 401**	**1 997 928**

Prepayments consists of membership subscriptions, maintenance and support on computer softwares and other advance payments.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	53 278	43 871
Bank balances (Nedbank current accounts)	52 969 329	6 830 218
Short-term deposits (Corporation for Public Deposits and Pledge account)	88 562 866	62 493 363
	141 585 473	**69 367 452**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Pledge account	**1 044 436**	**1 009 701**

The short-term deposits include a pledge account held by the CCMA through Standard bank for rental deposit paid at inception of the lease which is not available for use. The average interest rate on the pledge account was 3.4% (2021: 3.2%).

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The Nedbank current accounts are held in line with National Treasury Regulation 31.2. The CCMA invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits.

The average interest rate on funds held at the Corporation for Public Deposits was 3.89%. The short-term deposits were held at various commercial banks at an average interest rate of 4.6% in the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

7. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	30 974 600	(24 992 597)	5 982 003	31 290 939	(23 554 144)	7 736 795
Motor vehicles	658 297	(587 671)	70 626	708 295	(622 452)	85 843
Office equipment	11 783 817	(6 848 040)	4 935 777	11 473 490	(5 782 760)	5 690 730
IT equipment	72 820 507	(50 858 058)	21 962 449	67 318 177	(46 493 256)	20 824 921
Leasehold improvements	3 261 419	(2 781 153)	480 266	3 522 622	(2 861 318)	661 304
Leased motor vehicles	2 105 884	(1 077 142)	1 028 742	2 105 884	(350 979)	1 754 905
Leased office equipment	38 749	(5 453)	33 296	218 188	(147 595)	70 593
Total	**121 643 273**	**(87 150 114)**	**34 493 159**	**116 637 595**	**(79 812 504)**	**36 825 091**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment as at 31 March 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	7 736 795	-	(21 378)	-	(1 733 414)	5 982 003
Motor vehicles	85 843	-	(66)	-	(15 151)	70 626
Office equipment	5 690 730	96 810	(10 290)	36 862	(878 335)	4 935 777
IT equipment	20 824 921	7 141 331	(768 006)	-	(5 235 797)	21 962 449
Leasehold improvements	661 304	105 928	-	(36 862)	(250 104)	480 266
Leased motor vehicles	1 754 905	-	-	-	(726 163)	1 028 742
Leased office equipment	70 560	11 736	(33)	-	(48 967)	33 296
	36 825 058	**7 355 805**	**(799 773)**	**-**	**(8 887 931)**	**34 493 159**

Reconciliation of property, plant and equipment as at 31 March 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	5 278 473	4 915 829	(10 769)	-	(2 446 738)	7 736 795
Motor vehicles	196 150	-	-	-	(110 307)	85 843
Office equipment	1 751 809	4 678 760	(6 847)	1 803	(734 795)	5 690 730
IT equipment	23 137 159	3 248 452	(21 242)	(1 802)	(5 537 646)	20 824 921
Leasehold improvements	904 649	251 656	(4 630)	-	(490 371)	661 304
Leased motor vehicles	23 356	2 105 884	(1)	-	(374 334)	1 754 905
Leased office equipment	386 865	809 219	(315)	(1)	(1 125 175)	70 593
	31 678 461	**16 009 800**	**(43 804)**	**-**	**(10 819 366)**	**36 825 091**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Assets subject to finance lease (Net carrying amount)		
Leased motor vehicles	1 028 742	1 754 905
Leased office equipment	33 296	70 593
	1 062 038	**1 825 498**
Repairs and maintenance		
Repairs and maintenance	**2 822 161**	**2 479 158**

No item of property, plant and equipment has been pledged as security.

8. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	34 185 713	(18 907 608)	15 278 105	38 928 046	(23 591 781)	15 336 265

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Reconciliation of intangible assets - 31 March 2022

	Opening balance	Additions	Intangible assets under development	Disposals	Amortisation	Total
Computer software and licences	15 336 265	18 225 220	299 750	(336 438)	(18 246 692)	15 278 105

Reconciliation of intangible assets - 31 March 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software and licences	16 948 088	17 157 143	(23)	(18 768 943)	15 336 265

No item of intangible assets has been pledged as security.

Intangible assets in the process of being constructed or developed

Intangible assets under development	299 750	-

9. Finance lease liability

Minimum lease payments due

within one year	815 384	890 326
in second to fifth year inclusive	390 142	1 193 624
	1 205 526	**2 083 950**
less: future finance charges	(68 949)	(202 255)
Present value of minimum lease payments	**1 136 577**	**1 881 695**

Present value of minimum lease payments due

within one year	754 279	756 867
in second to fifth year inclusive	382 298	1 124 828
	1 136 577	**1 881 695**
Non-current liabilities	382 298	1 124 828
Current liabilities	754 279	756 867
	1 136 577	**1 881 695**

It is the CCMA's policy to lease certain motor vehicles and office equipment under finance leases. The average lease term is 2-3 years and the average effective interest rate is 9% (2021: 9%).
The CCMA's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 7 and 29.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

10. Operating lease liability

Current liabilities	3 004 062	3 812 024
Non-current liabilities	11 814 020	14 818 088
	14 818 082	**18 630 112**

Refer to Note 29 and 37 for additional information.

11. Payables from exchange transactions

Trade payables	51 001 844	27 767 072
Payroll creditors	6 358 941	7 078 856
	57 360 785	**34 845 928**

12. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for workmen's compensation	1 748 974	2 516 203	(1 577 018)	(1 197 537)	1 490 622
Provision for leave	34 402 221	-	(2 243 308)	(9 507 651)	22 651 262
Provision for audit fees	2 344 759	3 251 510	(3 248 386)	-	2 347 883
Provision for once-off salary payment	-	24 367 992	-	-	24 367 992
Provision for performance incentives	-	1 800 000	-	-	1 800 000
	38 495 954	**31 935 705**	**(7 068 712)**	**(10 705 188)**	**52 657 759**

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for workmen's compensation	2 269 830	2 761 929	(2 032 197)	(1 250 588)	1 748 974
Provision for leave	28 656 871	8 003 758	(2 178 868)	(79 540)	34 402 221
Provision for audit fees	2 073 795	3 085 467	(2 722 126)	(92 377)	2 344 759
Provision for landlord payment	128 496	-	-	(128 496)	-
Provision for performance incentives	18 620 000	-	(18 620 000)	-	-
	51 748 992	**13 851 154**	**(25 553 191)**	**(1 551 001)**	**38 495 954**

The provision for audit fees is based on the assumption that CCMA will incur future audit costs according to the audit engagements with external auditors.

A provision has been made for once-off salary payment to compensate staff for the organisation's inability to pay inflation-linked salary adjustments, based on the assumption of the mandate received from the remuneration committee.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

The provision for landlord payment is a result of the non responsiveness from the landlord on the matter outstanding, which created uncertainty on the timing of the expense. This provision was reversed as a result of the non responsiveness of the landlord.

The provision for workmen's compensation is as a result of estimation of the amount that is payable to the Compensation Fund, for occupational injuries and diseases.

The provision for leave is based on the total annual leave due to the employees. The CCMA forfeits excess leave carried over to the next leave cycle.

13. Total revenue

The amounts included in revenue arising from exchange of goods and services are as follows:

Services rendered	5 028 648	10 550 686
Other income	1 893 454	2 184 335
Interest received on investments	6 085 881	5 653 513
Gain on foreign exchange	581 390	-
	13 589 373	**18 388 534**

The amounts included in revenue arising from non-exchange transactions are as follows:

Conscientious objector (sheriff costs)	1 438 192	1 338 917
Government grants and subsidies	994 984 000	935 810 000
Other transfer revenue	8 000 000	-
Donations received	39 393	-
	1 004 461 585	**937 148 917**
Total revenue	**1 018 050 958**	**955 537 451**

14. Other income

Proceeds from insurance	780 125	307 061
Staff and other recoveries	1 113 329	1 877 274
	1 893 454	**2 184 335**

15. Interest received on Investments

Income received on short term deposits	**6 085 881**	**5 653 513**

16. Government grants and subsidies

Department of Employment and Labour	**994 984 000**	**935 810 000**

17. Other transfer revenue

Condition met - transferred to revenue	**8 000 000**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

In terms of Section 53(3) of the PFMA, A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained. The National Treasury approved R13.0 million in surplus funds from the NEDLAC to the CCMA during the 2021/22 financial year in accordance with section 53(3) of the PFMA. Of the R13.0 million approved surplus, R8.0 million was transferred to CCMA during the 2021/22 financial year and was used to adjust the budget. The funds were approved and transferred for utilisation as follows:

- to pro-actively address individual and collective disputes that arise in the workplace as a result of the COVID-19 pandemic in respect of unfair dismissals, mandatory vaccinations as well as retrenchments arising out of the subsequent economic downturn, and

- to enforce awards arising out of the implementation of the National Minimum Wage, which has been delayed due to the COVID-19 pandemic and lockdown.

- as a once off amount for systems development to improve the functioning of the call centre and the virtual/online hearing of cases.

The remaining amount of R5 million will likely be utilised for the financial year 2022/23 for the procurement and implementation of system development to improve the functioning of the call centre and the virtual/online hearing of cases.

NEDLAC will submit a request for retention of the funds in line with Section 53(3) of the PFMA.

18. Conscientious objector sheriff costs

Sheriff costs	**1 438 192**	**1 338 917**

19. Donations received

Donations received	**39 393**	**-**

Refer to note 40

20. Employee related costs

Basic	468 806 425	441 890 207
Perfomance incentives	1 800 000	10 165 535
Medical aid - company contributions	52 666 358	50 975 295
UIF	1 989 768	1 807 427
Leave pay provision charge	(9 507 251)	8 003 758
WCA	764 079	904 748
Provident fund	71 722 524	73 202 900
13th cheque	4 102 803	3 893 148
Other staff costs	234 168	401 705
	592 578 874	**591 244 723**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Key Management Remuneration

31 March 2022

	Emoluments	Performance bonuses	Cellphone allowance	Contributions to UIF and provident funds	Leave pay out	Total
Director: C Morajane	3 653 645	-	-	569 022	-	4 222 667
Chief Audit Executive: Z Hlophe	2 436 070	-	14 400	377 517	-	2 827 987
Executive Governance and Strategy: A Mokgadinyane	2 330 873	-	14 400	361 301	-	2 706 574
Chief Financial Officer: K Mashaakgomo	2 330 873	-	14 400	361 434	-	2 706 707
National Senior Commissioner: Marius Kotze	2 330 873	-	14 400	361 597	189 681	2 896 551
Acting Director: X Nduna	45 160	-	-	-	-	45 160
Acting National Senior Commissioner: E Hlongwane	66 050	-	-	-	-	66 050
	13 193 544	**-**	**57 600**	**2 030 871**	**189 681**	**15 471 696**

Key Management Remuneration

31 March 2021

	Emoluments	Performance bonuses	Cellphone allowance	Contributions to UIF and provident funds	Total
Director: C Morajane	3 125 996	890 250	-	516 018	4 532 264
Chief Audit Executive: Z Hlophe	2 302 196	290 740	14 400	378 369	2 985 705
Executive Governance and Strategy: A Mokgadinyane	2 202 760	347 593	14 400	362 298	2 927 051
Chief Financial Officer: K Mashaakgomo	2 202 760	278 074	14 400	362 105	2 857 339
National Senior Commissioner: Marius Kotze	2 202 760	347 593	14 400	361 913	2 926 666
Acting Director: M Kotze	36 963	-	-	-	36 963
	12 073 435	**2 154 250**	**57 600**	**1 980 730**	**16 265 988**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

M Ncanana acted as an Executive Shared Services from 01 April 2021 to date. The position for Executive: Shared Services was vacant for the financial year. No remuneration was paid for this acting role in line with the Human Resource Employee Manual.

X Nduna acted as the Acting Director during C Morajane's leave of absence and was remunerated in line with the Human Resource Employee Manual.

E Hlongwane acted as National Senior Commissioner during M Kotze's leave of absence and was remunerated in line with the Human Resource Employee Manual. M Kotze resigned with effect from 31 March 2022.

21. Administration expenses

Audit and Risk committee	217 810	203 269
Auditor's remuneration	3 257 239	2 993 089
Provision for impairment	(487 911)	1 799 693
Debt writen off	61 840	459 075
Communication costs	28 691 212	28 672 427
Essential Services Committee	4 087 818	3 818 405
Governing Body	828 344	949 960
Procurement committee	24 312	-
Equipment rental	-	291 156
External Archives Services	1 876 376	5 936 994
Insurance	1 680 721	1 612 937
COVID-19 related costs	474 725	728 193
Property rental	77 512 312	74 039 368
Water & electricity, rates & taxes, cleaning and security services	31 751 783	30 787 768
General administration	11 803 760	13 859 849
	161 780 341	**166 152 183**

22. Depreciation and amortisation

Property, plant and equipment	8 887 931	10 819 366
Intangible assets	18 246 692	18 768 943
	27 134 623	**29 588 309**

23. Finance costs

Finance leases	**130 860**	**161 711**

Total interest incurred is calculated using the effective interest rate of 9% on finance leases.

24. Bargaining councils subsidies

Bargaining councils subsidies	**4 087 696**	**3 644 593**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
25. Operating expenses		
Advertising	167 358	128 214
Inventory write off	712 676	41 996
Repairs and maintenance	3 345 907	3 121 430
Legal fees	837 422	755 087
Other operating expenses	4 355 854	4 763 614
Pot plants	72 682	205 703
Research and development costs	-	12 551
Travel and Accommodation Expenses - Local	2 210 303	1 613 058
Travel and Accommodation Expenses - International	-	1 334
Consumables	792 526	384 970
	12 494 728	**11 027 957**
26. Case disbursement expenses		
Part time commissioner fees	162 644 121	131 595 628
Sherrif fees	4 301 251	6 374 818
Travel and accommodation	11 057 909	8 219 173
Other related costs	363 023	751 847
Venue hire	2 607 977	1 967 174
	180 974 281	**148 908 640**
27. Cash generated from operations		
Surplus	37 733 344	4 746 156
Adjustments for:		
Depreciation and amortisation	27 134 623	29 588 309
Loss on sale of assets	1 136 211	43 827
(Gain) loss on foreign exchange	(581 390)	19 352
Donations	(39 393)	-
Inventory write off	712 676	41 996
Debt write off	61 840	459 075
Movement in provisions (Relating to employees)	14 158 681	(13 395 506)
Movement in provisions (Relating to suppliers)	3 124	142 468
Increase (decrease) in payroll creditors	(720 000)	(5 993 558)
Provision for impairment	(487 911)	1 799 693
Changes in working capital:		
Inventories	(578 403)	(825 029)
Receivables from exchange transactions	1 738 341	(4 764 065)
Prepayments	(1 471 473)	(639 540)
Payables from exchange transactions	23 855 645	(4 239 201)
	102 655 915	**6 983 977**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

28. Financial instruments disclosure

Categories of financial instruments

31 March 2022

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	2 711 034	2 711 034
Cash and cash equivalents	141 585 473	141 585 473
	144 296 507	**144 296 507**

Financial liabilities

	At amortised cost	Total
Finance lease obligation	1 136 577	1 136 577
Payables from exchange transactions	57 360 786	57 360 786
	58 497 363	**58 497 363**

31 March 2021

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	4 023 304	4 023 304
Cash and cash equivalents	69 367 452	69 367 452
	73 390 756	**73 390 756**

Financial liabilities

	At amortised cost	Total
Finance lease obligation	1 881 695	1 881 695
Payables from exchange transactions	34 845 927	34 845 927
	36 727 622	**36 727 622**

29. Commitments

Authorised capital expenditure
Approved and contracted for

	2022	2021 Restated*
Property, plant and equipment	2 316 873	-
Intangible assets	27 689 440	886 604
	30 006 313	**886 604**
Approved and not yet contracted for:		
Property, plant and equipment	-	5 739 483
Intangible assets	162 511	2 552 544
	162 511	**8 292 027**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Total capital commitments		
Already contracted	30 006 313	886 604
Not yet contracted for and authorised	162 511	8 292 027
	30 168 824	**9 178 631**

Total commitments		
Authorised capital expenditure	**30 168 824**	**9 178 631**

Capital expenditure is financed by government grant received from National Treasury through the Employment and Labour. The commitments represent approved contracts by 31 March 2022, and will be financed by available cash facilities.

Changes to prior year balances have been explained under note 37.

Operating leases - as lessee (expense)

Minimum lease payments due		
within one year	61 017 656	84 362 974
in second to fifth year inclusive	70 446 735	114 308 327
later than five years	6 299 178	6 299 178
	137 763 569	**204 970 479**

Operating lease payments represent rentals payable by the CCMA for office space and parking. Rentals are smoothed over the lease term in accordance with the Standards of GRAP. Changes to prior year balances have been explained under note 37.

Finance lease liability

Minimum lease payments due		
within one year	815 384	890 326
in second to fifth year inclusive	390 142	1 193 624
finance charges	(68 949)	(202 255)
	1 136 577	**1 881 695**

Finance lease payments represent leases on motor vehicles and office equipment.

30. Contingencies

30.1 Litigations

Claims of repudiation	16 000 000	17 033 379
Claims of services rendered	311 458	305 405
Labour matter	5 550 000	319 000
	21 861 458	**17 657 784**

Management assessed the possible obligations of the litigations and confirmed that they arose from past events. The resolution of the litigations is not wholly within the control of the CCMA and amounts reflected is the best estimates of the probable costs of settling the matters.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
30.2 Cash surplus/deficit		
Cash and Cash Equivalents	141 585 473	69 367 452
Add: Receivables	2 711 034	3 851 936
Less : Current Liabilities	(113 776 886)	(77 643 891)
	30 519 621	**(4 424 503)**

A cash surplus of R 30.5 million was recorded and will be declared to the National Treasury for consideration and approval of retention in terms of section 53(3) of the PFMA.

The prior year's cash deficit of R4.4 million has been set off through the CCMA reprioritisation measures and the Department of Employment and Labour allocating funding to the CCMA.

31. Related parties

Relationships

Management	Key management - Refer to note 20 Governing Body Essential Services Committee Audit and Risk Committee Procurement Committee
Controlling entity	Department of Employment and Labour
Included in the Governing Body is government representatives	Mr Thembinkosi Mkhalipi Ms Tshepo Mahlaela Ms Conny Mametja
Entities under common control	National Economic Development and Labour Council (Nedlac) Productivity South Africa (PSA) Compensation Fund (CF) Unemployment Insurance Fund (UIF) Sheltered Employment and Enterprises (SEE)
Bargaining Councils	There are 36 (31 March 2021: 35) bargaining councils which have been accredited by the CCMA in accordance with the LRA

Related party transactions

Revenue		
Unemployement Insurance Fund	-	5 955 315
Department of Employment and Labour	996 422 192	937 148 917
National Economic Development and Labour Council	8 000 000	-
	1 004 422 192	**943 104 232**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Purchases from related parties		
Unemployement Insurance Fund	3 974 946	3 586 266
BC for Building Industry South & East Cape	712	3 559
BC for Building Industry (Cape of Good Hope)	172 265	103 929
NBC for the Road Freight Industry	346 665	249 144
BC for South African Road Passenger	165 859	113 183
Transnet Bargaining Council	66 913	52 676
BC Public Health and Social Development	130 267	33 456
BC for Public Service Coordinating	78 302	2 847
BC for South African Local Government	198 603	-
BC for Statutory Council for Printing Newspaper & Packaging Industry	27 762	-
BC for Contract Cleaning Industry	74 743	59 767
BC for Furniture Manufacturing Industry of the Western Cape	9 966	8 542
Building Bargaining Council (North and West Boland)	1 424	-
BC for Clothing Industry	38 439	17 084
BC for Meat Trade	32 745	-
BC for for Civil Engineering Industry	112 471	108 200
NBC for the Chemical Industry	30 609	99 658
BC for Electrical Industry	25 626	-
BC for the Food Retail, Restaurant,Catering & Allied Trades	86 444	88 268
BC for Restaurant, Catering	186 502	81 862
BC for Furniture Bedding & Upholstery Industry	46 981	19 932
BC for the Hairdressing & Cosmetology	45 558	41 287
BC for Laundry Cleaning & Dyeing	2 847	-
NBC of the Leather Industry of SA	7 830	9 966
BC for Metal & Engineering Industry	647 063	570 896
BC for Motor Industry	1 017 932	668 417
	7 529 474	**5 918 939**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Payable by CCMA		
BC for Building Industry (North and West Boland)	-	2 847
BC for Civil Engineering Industry	12 813	34 168
BC for Contract Cleaning Industry	9 254	40 575
BC for Electrical Industry	6 407	11 389
BC for the Food Retail, Restaurant, Catering & Allied Trades	7 118	7 830
BC for Furniture Bedding & Upholstery Industry	2 136	22 779
BC for Furniture Manufacturing Industry of the Western Cape	-	4 271
BC for the Grain Industry	-	14 237
BC for the Hairdressing & Cosmetology	7 830	4 271
BC for Meat Trade	14 949	25 626
BC for Restaurant, Catering & Allied Trades	29 897	19 932
BC for Safety and Security Sectoral	39 151	56 947
BC for South African Local Government	70 472	153 757
BC for South African Road Passenger	18 508	41 999
BC for Statutory Council for Printing Newspaper & Packaging Industry	-	38 439
Transnet Bargaining Council	18 508	15 660
NBC for the Leather Industry of SA	2 847	712
NBC for the Sugar Manufacturing and Refining Industry	712	1 424
Compensation Fund	1 490 622	1 748 974
BC Clothing Industry	3 559	-
Education Labour Relations Council	34 168	46 270
BC for Public Health and Social Development	9 254	112 471
BC for Public Service Coordinating	2 136	45 558
BC for Building Industry Cape of Good Hope	22 779	29 897
BC for General Public Service Sectoral	9 254	-
BC for Laundry Cleaning & Dyeing	712	3 559
BC for Metal & Engineering Industry	64 777	229 212
BC for Motor Industry	102 505	264 804
NBC for the Road Freight Industry	34 168	59 795
NBC for the Chemical Industry	9 254	23 491
	2 023 790	**3 060 894**
Receivable by the CCMA		
Unemployement Insurance Fund	2 977 658	2 977 658
	2 977 658	**2 977 658**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Governing Body members		
E Ngutshane: Chairperson (appointed 1 December 2020)	80 735	49 371
MJ Ledwaba: Chairperson (terminated 31 July 2020)	-	77 834
S Lukhele	158 445	196 837
B Ntshalintshali	153 556	177 056
L Trentini (terminated 30 November 2020)	-	56 424
N Moloto	121 107	194 049
IK Moyane	128 448	144 306
R Ajam	103 481	27 935
S Leyden	82 572	26 148
	828 344	**949 960**

Figures in Rand	2022	2021 Restated*
Audit and Risk Committee members		
V Pangwa (terminated 31 March 2021)	-	90 440
C Motau (terminated 31 March 2021)	-	68 789
R Clark (terminated 31 March 2021)	-	44 040
T Cumming (appointed 1 April 2021)	92 173	-
A Latchu (appointed 1 April 2021)	73 341	-
V Makaleni (appointed 1 April 2021)	52 296	-
	217 810	**203 269**

In addition to the above Audit and Risk Committee members, Mr Linda Nene was appointed as a member in August 2021. Mr Nene is employed in the public sector and was not remunerated as per the National Treasury Regulations during the 2021/22 financial year.

Figures in Rand	2022	2021 Restated*
Essential Services Committee members		
L Bono	1 287 287	1 284 625
MJ Nkopane	777 133	793 633
NY Memani	301 234	280 083
A Gildenhuys	297 418	236 056
CK Marule	279 578	290 321
M Ndaba	344 152	316 121
AZ Ndlala	268 424	261 086
A Ranchod	393 170	356 480
Z Tamela (appointed 1 January 2022)	69 711	-
K Matebe (appointed 1 January 2022)	69 711	-
	4 087 818	**3 818 405**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*
Procurement Committee member		
NL Siqaza (Appointed August 2021)	24 312	-

32. Risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	754 279	382 298	-	-
Trade and other payables	57 360 786	-	-	-
	58 115 065	**382 298**	**-**	**-**

31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	756 867	1 124 828	-	-
Trade and other payables	34 845 927	-	-	-
	35 602 794	**1 124 828**	**-**	**-**

Credit risk

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

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

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

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

Financial instrument		
Cash and cash equivalents	141 585 473	69 367 452
Receivables from exchange transactions	2 711 034	4 023 304

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Market risk

Interest rate risk

The CCMA manages its interest rate risk by effectively investing available cash surplus with the Corporation for Public Deposits in accordance with the National Treasury regulations.

Foreign exchange risk

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

Foreign currency exposure at statement of financial position date

	2022	2021 Restated*
Liabilities		
Current, USD 721 526 (2021: USD 0)	10 440 481	-
Exchange rates used for conversion of foreign items were:		
USD	14.47	-

33. Going concern

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R74 070 877 and that the entity's total assets exceed its liabilities by R74 070 877.

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

The Governing Body has reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

34. Fruitless and wasteful expenditure

	2022	2021 Restated*
Opening balance		
Add: Expenditure identified - current	-	34 536
Add: Expenditure identified - prior period	1 970	48 595
Less: Amounts recoverable - current	(1 970)	(34 536)
Less: Amount written off - prior period	-	(48 595)
Closing balance	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Details of Fruitless and Wasteful Expenditure recoverable

Classification of Incidents	Number of Incidents	2021/22
Interest and penalties	1	1 970

One (1) case was assessed during the financial year 2021/22 and found to have contravened applicable laws and regulations. Based on the root causes, the Loss and Control Committee recommended that the expenditure be recovered from the staff member implicated.

Details of Fruitless and Wasteful Expenditure under assessment

Classification of Incidents	Number of Incidents	2021/22
Interest and penalties	1	40
Employee related costs	1	36 963
	2	**37 003**

Two (2) cases were identified and recorded in the register. As of 31 March 2022, these cases was still being assessed to confirm non-compliance with the applicable laws and regulations. These cases were not taken into account in determining the total fruitless and wasteful expenditure for the 2021/22 financial year.

35. Irregular expenditure

Opening balance as previously reported	355 154	91 202 721
Opening balance	**355 154**	**91 202 721**
Add: Occurred in the prior year	-	2 914
Add: Movement	7 000	11 336 780
Add: Occurred in the current year	40 295	410 094
Less: Prior year amounts removed	-	(102 539 502)
Less: Prior year amounts condoned in the current year	(395 449)	(54 939)
Less: Current year amounts condoned in the current year	(7 000)	(2 914)
Closing balance	**-**	**355 154**

Details of the irregular expenditure condoned

Incident	Condoned by (Relevant Authority)	2021/22
Prior year - operating expenses	National Treasury	(395 449)
Current year - operating expense	National Treasury	(7 000)
		(402 449)

The Loss and Control Committee assessed five (5) cases during the financial year 2020/21 and found them to have contravened the applicable laws and regulations. Based on the root causes, recommendations were made and implemented by management. As a result, the National Treasury considered and approved the condonation request during the 2021/22 financial year.

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Figures in Rand	2022	2021 Restated*

Details of the irregular expenditure under assessment

Incident	Number of incidents	2021/22
Operating Expenses	1	4 676

One (1) case of possible irregular expenditure has been identified and recorded in the register. However, as of 31 March 2022, the case was still being assessed to confirm non-compliance with the applicable laws and regulations. The case was not considered in determining the total irregular expenditure for the 2021/22 financial year, in line with the National Treasury Irregular Expenditure Framework.

36. Budget differences

Material differences between budget and actual amounts

Revenue from exchange transactions

Services rendered was above the projected income by R529 thousand (11.7%), due to discretionary services offered being more than what was planned for by the CCMA to the users.

Other income collected for R1.9 million (100%) was not budgeted for due to the unpredictability of the nature of the income. The income includes insurance, bursary recoveries, staff debts etc.

Interest received on investment was above the projected income by R1.1 million (22.7%) due to increased funds invested with the Corporation for Public Deposits.

Gain on foreign exchange for R581 thousand (100%) results from the favourable US dollar translation at the closing of the financial year.

Revenue from non-exchange transactions

Government grants and subsidies were adjusted by R3 million due to additional funding from the Department of Employment and Labour to assist the entity with the R4.4 million cash deficit reported at the end of the 2020/21 financial year. The additional allocation was used to adjust the allocation to case disbursement (Programme four (4): Efficient and Quality Dispute Resolution and Enforcement Services) to cater for part-time commissioner fees for the 2021/22 financial year.

Conscientious Objector Funding was above the projected budget by R838 thousand (139.7%), due to increased transfers from the Department of Employment and Labour.

Donations received of R39.3 thousand (100%) results from the service in kind received from the stakeholders for activities such as venues, which was not budgeted for during the financial year.

In terms of Section 53(3) of the PFMA, A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained. The National Treasury approved R13.0 million in surplus funds from the NEDLAC to be transferred to the CCMA during the 2021/22 financial year in accordance with section 53(3) of the PFMA. The condition of approval was as follows:

- to pro-actively address individual and collective disputes that arise in the workplace as a result of the COVID-19 pandemic in respect of unfair dismissals, mandatory vaccinations as well as retrenchments arising out of the subsequent economic downturn;

Figures in Rand	2022	2021 Restated*

- to enforce awards arising out of the implementation of the National Minimum Wage, which has been delayed due to the COVID-19 pandemic and lockdown; and
- as a once off amount for systems development to improve the functioning of the call centre and the virtual/online hearing of cases.

Of the R13.0 million approved surplus, R8.0 million was transferred to CCMA during the 2021/22 financial year and was used to adjust the budget.

The remaining amount of R5 million will be utilised for the financial year 2022/23 for the procurement and implementation of system development to improve the functioning of the call centre and the virtual/online hearing of cases.

Expenditure

The overall expenditure for the period ending 31 March 2022 was R980.3 million (96.8%) of the approved budget. R32.7 million (3.2%) of the approved budget is savings.

Employee related costs were more than the projected budget by R3.1 million (0.5%) due to once-off salary incentives for staff during the financial year.

Administration expenditure was below the budgeted amount by R19.3 million (10.7%) due to employee wellness programme, COVID-19 related consumables, external services archives and postage expenditure planned for but not utilised as anticipated as the services are consumed as and when required.

Depreciation and amortisation expenses exceeded the projected budget by R5.0 million (22.4%) due to additional assets acquired during the financial year.

Finance cost was below the budgeted amount by R676 thousand (83.8%) due to the some of finance leases that expired and were not renewed during the financial year.

Bargaining Councils subsidies were above the budgeted amount by R564 thousand (16.0%) due to increased claims submitted from the Councils on the awards made for the reimbursement.

Operating expenditure was below the projected budget by R9.2 million (42.5%). The variance was due to budgeted computer equipment maintenance not being consumed as anticipated as the service is consumed as and when required. The other factors are travel costs, training interventions, printing for the pocket statute, manual practice procedure, case law manuals, and legal fees budgeted for but not utilised as anticipated.

Case disbursement expenditure was below the budgeted amount by R11.9 million (6.1%). This is due to dispute management outreach activities, travel costs, and venue hire expenditure planned for conducting cases in remote areas not utilised as planned. Promotional material budgeted was also not utilised as anticipated.

Loss on disposal of assets was above the budgeted amount by R236 thousand (26.2%) due to the assets that were stolen which were disposed of during the financial year.

Loss on foreign exchange budgeted amount was not utilised as planned due to a foregein exchange gain being realised at year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

37. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position 31 March 2021

	As previously reported	Correction of error	Reclassification	Restated
Receivables from exchange transaction	3 851 936	171 368	-	4 023 304
Prepayments	2 040 805	(42 877)	-	1 997 928
Property, plant and equipment	36 020 799	804 292	-	36 825 091
Intangible assets	13 599 761	1 736 504	-	15 336 265
Operating lease obligation - current	(4 360 244)	548 220	-	(3 812 024)
Payables from exchange transactions	(69 930 452)	(1 066 670)	36 151 195	(34 845 927)
Provisions	(2 596 328)	251 569	(36 151 195)	(38 495 954)
Operating lease obligation - non-current	(14 716 508)	(101 580)	-	(14 818 088)
Accumulated surplus	(34 036 707)	(2 300 826)	-	(36 337 533)
	(70 126 938)	**-**	**-**	**(70 126 938)**

Statement of financial performance 31 March 2021

	As previously reported	Correction of error	Reclassification	Restated
Services rendered	(10 465 122)	(85 564)	-	(10 550 686)
Other income	(1 993 361)	(190 974)	-	(2 184 335)
Employee related costs	591 273 239	(28 516)	-	591 244 723
Administration expenses	158 339 145	(662 026)	8 475 064	166 152 183
Depreciation and amortisation	28 343 651	1 244 658	-	29 588 309
Case disbursement expenses	148 712 630	196 010	-	148 908 640
Operating expenses	19 780 391	(277 371)	(8 475 064)	11 027 956
	933 990 573	**196 217**	**-**	**934 186 790**

Receivables from exchange transactions, Services rendered, Other income

Services rendered and other income transactions were not accounted for in the correct accounting period. These errors also affected receivables from exchange transactions and accumulated surplus.

Prepayments and operating expenses

Operating expenses were accounted for in incorrectly. These errors also affected prepayments, intangible assets and accumulated surplus.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible asset items acquired in the prior years were not accounted for in the correct accounting period. These errors also affected depreciation and amortisation and accumulated surplus.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

Operating lease obligation

Reduced rates received from landlords on rental payments, was not considered in determining the operating lease obligation during the 2020/21 financial year. These errors also affected receivables from exchange transactions and accumulated surplus.

Payables from exchange transactions

Administration, Operating, and case disbursement expenses were not accounted for in the correct accounting period. These errors also affected payables from exchange transactions and accumulated surplus.

Employee related costs were not accounted for in the correct accounting period. These errors also affected payables from exchange transactions and accumulated surplus.

Provisions

Leave provision and Workmen's compensation classification have changed from payable from exchange transactions to provisions. Management believes that this reclassification provides more reliable and relevant information because of the nature of the balances.

Operating lease liability commitments

	As previously disclosed	Correction of error	Restated
Minimum lease payment due within one year	71 795 763	12 567 211	84 362 974
Minimum lease payment due in the second to fifth year	97 278 597	17 029 730	114 308 327
Minimum lease payment due after five years	10 687 035	(4 387 857)	6 299 178
	179 761 395	**25 209 084**	**204 970 479**

Reduced rates received from landlords on rental payments, was not considered in determining the operating lease liability commitments during the 2020/21 financial year.

Commitments

	As previously disclosed	Correction of error	Change in accounting policy	Restated
Authorised capital expenditure	23 962 850	(16 760 890)	1 976 671	9 178 631
Authorised operational expenditure	67 843 371	-	(67 843 371)	-
	91 806 221	**(16 760 890)**	**(65 866 700)**	**9 178 631**

The commitments balance was restated due to payments accounted for incorrectly in the register in the prior year and a change in accounting policy.

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Figures in Rand	2022	2021 Restated*

Related parties

Receivables by CCMA

	As previously disclosed	Correction of error	Restated
Unemployment Insurance Fund	-	2 977 658	2 977 658
Essential Services Committee members			
L Bono	1 190 972	93 653	1 284 625
MJ Nkopane	714 147	79 486	793 633
NY Memani	216 471	63 612	280 083
A Gildenhuys	172 444	63 612	236 056
CK Marule	231 147	59 174	290 321
M Ndaba	242 154	73 967	316 121
AZ Ndlala	187 119	73 967	261 086
A Ranchod	282 513	73 967	356 480
	3 236 967	**3 559 096**	**6 796 063**

Receivables by CCMA

The receivable amount from the Unemployment insurance fund was not disclosed as receivables in the prior year.

Essential Services Committee members

The amounts paid to essential services committee members was not accounted for as part of their payments in the prior year.

38. Events after the reporting date

Mr. N Moloto resigned from Governing Body with effect from 1 April 2022. Accordingly, the Minister of Employment and Labour has appointed Mr. W Dinwa, effective 20 April 2022, to replace Mr N Moloto.

Mr. V Makaleni, an independent member of the Audit and Risk Committee, resigned from the committee on 30 April 2022. Processes of recruiting a new member are currently underway.

39. Changes in accounting policy

Commitments

From 1 April 2021, the CCMA changed its accounting policy to disclose commitments from operational and capital unrecognised to capital unrecognised contractual obligations only. Management believes that this policy provides more reliable and relevant information because it is based on capital unrecognised contractual commitments as required by the Standards of GRAP. Accordingly, the policy has been applied retrospectively from the start of 2021.

The adoption of the new policy does not affect prior periods. The effect on the current period is a reduction in the commitment balance at the end of the financial year by R65 866 700.

Leave provisions

Leave forfeiture process was implemented in the current year, resulting in a change in accounting policy for leave provision. Management believes that this change in accounting policy provides more reliable and relevant information of the short- term staff benefit as well as its related liability.It was impracticable to estimate the effects of applying the policy retrospectively due to the unavailability of data

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021 Restated*

40. Services in-kind

31 March 2022

	Description of services	Number of days per region	Number of venues used	Amount
Port Elizabeth	Non paying venue	128	5	-
East London	Non paying venue	335	11	-
Free State	Non paying venue	45	2	-
Mpumalanga	Non paying venue	875	11	-
KwaZulu-Natal	Non paying venue	259	10	-
Northern Cape	Non paying venue	277	19	-
Western Cape	Non paying venue	304	18	-
Limpopo	Non paying venue	1 058	13	-
Ekurhuleni	Rental - parking	-	-	38 500
Limpopo	IT accessories	-	-	143
Limpopo	Inventory	-	-	750
		3 281	**89**	**39 393**

31 March 2021

	Description of services	Number of days per region	Number of venues used
East London	Non paying venue	412	11
Port Elizabeth	Non paying venue	112	5
Free State	Non paying venue	35	2
Northern Cape	Non paying venue	116	12
Western Cape	Non paying venue	137	16
KwaZulu-Natal	Non paying venue	195	7
Mpumalanga	Non paying venue	389	7
Limpopo	Non paying venue	856	15
		2 255	**75**

The CCMA used 89 (2021: 75) non paying venues during the 2021/22 financial year. The use of venues is significant to the CCMA as it allows the CCMA to deliver on its mandate and expand its accessibility across South Africa. However, the venues are offered across the country, and rates payables in the venues are not always available, resulting in the CCMA being unable to determine the cost of the venues fairly.

41. Change in estimate

Property, plant and equipment and Intangible Assets

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

The effect of the revision for the financial year 2021/22 is a decrease in depreciation expenditure by an amount of R3.7 million.

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CCMA'S STATUTORY SERVICES ARE FREE

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