



**NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL**

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**RESPONSES TO QUESTIONS RAISED BY THE LABOUR PORTFOLIO COMMITTEE  
AT ITS SESSION WITH NEDLAC ON 18 MARCH 2015**

1. What are the challenges in filling vacant posts across chambers, and how has this impacted on service delivery?

There have been no challenges in filling vacant positions. The process of employing a new Executive Director is currently underway. Three candidates have been interviewed by the Overall Convenors and the preferred candidate will be considered by the Executive Council. The Head: Programme Operations has been appointed Acting Executive Director until such time as the Executive Director appointment has been finalised. This has facilitated organisational continuity.

2. What are the categories of vacant funded posts?

The Executive Director post belongs in a senior management category.

3. What is the vacancy rate?

The vacancy rate is 3%.

4. What comprises goods and services spend?

Our expenditure in terms of goods and services is made of up the following:

**Goods:**

- Stationary – R275 500
- Capital expenditure – R583 000
- Subscriptions – R46 000

**Services:**

- Refreshments – R875 737
- Accounting fees – R36 000
- Audit fees – R1 359 400
- Staff training and development – R150 000
- Bank charges – R30 000
- Building maintenance – R130 000
- Cleaning – R69 000
- Consulting fees – R627 000
- Courier – R44 500
- Electricity, water, rates and taxes – R993 247
- General maintenance – R215 625
- Insurance – R160 124
- Legal fees – R300 000
- Network maintenance – R100 000
- Photocopy costs – R548 804
- Security costs – R40 000
- Staff wellness – R200 000
- Telephone – R320 000
- Vehicle running cost – R10 000
- Printing publications – R80 000
- Website and internet – R285 000
- Travel and accommodation – R2 440 085

5. Has the maintenance in respect of the R130 000 allocation for building maintenance been completed?

The building maintenance budget of R130 000 is allocated for the 2015-16 financial year. It will therefore be used to ensure the continued maintenance of Nedlac House in 2015-16.

6. What is the consulting fee allocation used for?

The amount of R627 000 has been allocated for:

- The appointment of a service provider to assist in the development of the staff retention plan in the 2015-16 financial year – R200 000
- The Secretariat has also needed to employ additional temporary support services from the CCMA for the Labour Relations process that is being led by the Deputy President – R427 000

7. What are the budget allocations for building maintenance and general maintenance used for?

Building maintenance is used specifically to undertake routine maintenance in respect of Nedlac House. This would include plumbing, electrical, roof maintenance, wall cracks etc.

General maintenance allocation is used to maintain the CCTV system, alarm system, biometrics, sound system and the recording system.

8. The cell phone allowance appears high

Nedlac has a Telephone and Cell Phone Policy which has been approved by the Audit and Risk Committee and the Management Committee and is updated on an annual basis. In terms of this policy the following monthly cell phone allowances are provided:

- Executive Director: R3500
- Head: Programme Operations: R1500
- Chief Financial Officer: R1500
- Constituency Convenors: R500
- Chamber Coordinators: R300
- Chamber Administrators: R300
- Security: R300

- HR Coordinator: R500
- IT Administrator: R300
- Constituency Administrators: R300

9. Were the building renovations completed within budget and on time

The building renovations were completed within the prescribed period. The renovations came in at approximately R400 000 below the allocated budget.

10. Has each constituency submitted their plans for using their allocated capacity building budgets? And how is expenditure monitored?

A Constituency Capacity Building Budgeting and Expense Policy guides the use of these budgets. In terms of the policies Constituencies are not required to submit plans. Constituencies must however ensure that their expenditure complies with all of the relevant Nedlac finance policies as well as the PFMA and other relevant Treasury regulations. The Finance Committee as well as the Audit and Risk Committee receive quarterly reports on expenditure on this budget. Reports are also provided on a quarterly basis to the Management Committee and the Executive Council.

The policies allow for the allocations to be used in any of the following ways:

- To support constituency administration and coordination
- Appoint support staff to perform constituency functions (salaries and wages)
- Conduct meetings and conferences, with refreshments
- Research and develop policy
- Stationary and courier costs
- Consulting/professional fees
- Communication costs (telephone/ cellphone/fax)
- Special projects
- Travel for constituency-specific events
- Accommodation for constituency-specific events

- Website and internet fees

The Management Committee has authorised the Audit and Risk Committee to develop detailed guidelines in respect of the use of the Constituency budgets

11. Why was the Portfolio Committee not invited to the Labour Relations Indaba as requested by Honourable Ollis to the former Executive Director?

This was an oversight for which we apologise.

12. In respect of the expenditure on computers was this a result of theft? If so was the theft reported to SAPS and which branch?

The budget for the next financial year for computer equipment is for the procurement of a server. However, in the last financial year the Executive Director's laptop and i-Pad were stolen at the Hyperama Constantia parking lot. The computer theft was reported to the Honeydew SAPS station and the i-Pad theft was reported to the Fairlands SAPS station. An insurance claim has also been submitted.

13. Are constituency and staff members permitted to travel beyond Rosebank including to areas such as Port Elizabeth?

Constituency travel is informed by the Constituency Capacity Building, Budgeting and Expense Policy. Constituency members may therefore travel to venues where Nedlac-related work is taking place.

Nedlac staff may travel to areas where Nedlac-related meetings are being convened or where organisational training has been arranged. Training outside of Gauteng however does not currently take place.

14. What is the difference between accounting fees and audit fees?

Accounting fees are allocated specifically for any accounting support work that may be required.

Audit fees are allocated specifically to pay the Auditor-General and the independent internal auditors.

