



national consumer tribunal

31 January 2023
(Amended 10 March 2023)

ANNUAL PERFORMANCE PLAN 2023/2024 - 2024/2025

national consumer tribunal

EXECUTIVE AUTHORITY STATEMENT



Mr Ebrahim Patel

Minister of Trade, Industry
and Competition

The 2023/24 Annual Performance Plan of the National Consumer Tribunal (NCT) reflects the continued efforts of the dtic Group to align our activities around a common purpose; grounded in efforts to support Industrialisation to promote jobs and rising incomes, drive Transformation to build an inclusive economy, and build a Capable State to ensure improved impact of public policies.

The APP contains an ambitious set of targets aimed at realising the vision of the NCT governing legislation, and utilising these regulations to meet their purpose of empowering a larger number of South Africans to contribute towards our shared prosperity. In the year ahead, the NCT will play a critical role in creating a fair and prosperous South African economy. While companies face a challenging global economic environment, the work of the NCT will help create the conditions for sustained growth that are most needed when times are hardest.

Since the start of the Sixth Administration, the Department of Trade, Industry and Competition and all entities in the dtic Group have begun a process of adopting a revised output-driven planning system – grounded in the objective of combining all our efforts towards creating real impact for South Africans.

In 2023/24, the dtic concluded this process by introducing 45 output targets, to which the NCT makes a critical contribution. These include supporting 1 million jobs, mobilising R200 billion in investment, supporting R700 billion in manufacturing exports, and helping Black Industrialists to create 20,000 jobs and R36,8 billion in output. The attached table sets out the 45 outcomes.

**"THE ANNUAL PERFORMANCE PLAN IDENTIFIES THE
OUTPUTS, OUTPUT INDICATORS AND TARGETS THAT AN
ENTITY AIMS TO ACHIEVE IN THE NEW FINANCIAL YEAR."**

EXECUTIVE AUTHORITY STATEMENT

While the NCT has incorporated many of these objectives into the APP, our next steps will be to further align the work of NCT to meet these common objectives through the implementation of its governing legislation. Within one month of tabling this version of the plan, proposed revisions must be submitted to the Executive Authority to better align with the vision of these targets.

Implementation of this plan must take account of the challenging fiscal environment in which government is operating, and as such as I have

instructed all entities to undertake a further review of their spending plans for the period of the plan, and to submit a final, revised financial plan within one month of tabling this version of the plan. This plan should aim to reduce unnecessary spending, and redirect these resources to better serve our core objectives.

The APP 2022/23, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.



MR EBRAHIM PATEL
MINISTER OF TRADE, INDUSTRY AND COMPETITION

31 March 2023

DATE

ACCOUNTING AUTHORITY STATEMENT



Mr Trevor Bailey

Executive Chairperson and
Accounting Authority

The past two and a half years have been the most turbulent time in recent history for our global community. South Africans and the employees of the National Consumer Tribunal (NCT) have not escaped the devastating impact of global events that may seem far away.

OVERVIEW OF THE NCT AND ITS VISION

The COVID-19 pandemic, the War in Ukraine and the highly likely economic recession in Europe, perhaps worse yet, a global economic recession, are teaching us that change is inevitable, and we constantly need to adapt, never resting on our laurels, thinking that what has worked in the past is a sure recipe for the future.

With this insight in mind, the executive leadership of the NCT intentionally decided to revisit and refocus our Tribunal, the leadership team, and every employee crucial to the delivery of our institutional mandate. We have new executive leadership onboard, so it was also the right time to re-evaluate our strategic and tactical efforts to ensure our annual performance plan and commitments can

be met while reigniting passion and commitment by everyone to our vision and purpose.

Inline with our constitutional mandate, we are in the process of crafting a revised vision statement that involves the entire executive leadership team and all members of their business units. Working towards a key idea mentioned later in this statement of; *"Collaborative Inclusivity"*.

This is of course in the context of the changing local and global impacts on debt and the possible increase in the debt-review caseload that may be expected in the future periods.

Since justice is a human right, the NCT is focussing in the next financial period to analyse and improve systems of operations to make

**"TO DELIVER HIGH QUALITY AND TIMELY JUDGEMENTS AND
ORDERS FOR ALL ADJUDICATED CASES FROM THE CREDIT
CONSUMER MARKET OF SOUTH AFRICA"**

ACCOUNTING AUTHORITY STATEMENT

sure that we are adequately skilled, manned and resourced to make sure that we can deliver on our commitments and offer all stakeholders satisfying outcomes. When executed with excellence, we consider the impact that we offer as an institution at the NCT, as meaningful to the Department of Trade, Industry and Competition and to the South African consumers at large. We feel privileged to work inside the requirements of our mandate to support everyone in our society to have access to justice and fairness.

From the aforementioned, the following four key ideas will guide our thinking and actions in the NCT:

1. Change is the new normal.
2. To be agile we must be flexible and adaptable.
3. Collaboration requires inclusivity and heartfelt engagement.
4. Trust and credibility are outcomes of being responsible and practicing accountability.

KEY ACCOMPLISHMENTS DURING THE PREVIOUS PLANNING PERIOD

The four business units, that is finance, corporate services, registry and ICT have all adapted well to hybrid working arrangements and learning how to communicate, collaborate and deliver outcomes productively.

Our team have produced some significant accomplishments in the last 18 months despite the adverse circumstances of COVID-19 and other crises that we have had to deal with.

Led by ICT and in close collaboration with our registry team, the NCT has:

1. Migrated from physical sittings to virtual hearings.
2. Launched an online adjudication system for Debt Rearrangement Orders (DRAs).
3. Enhanced our e-filing system to eliminate the need for debt counsellors to do time-consuming data capturing of financial data when submitting DRA applications to the Tribunal.
4. Designed and acquired the server and network infrastructure for application development on the National Credit Amendment Act 7 of 2019 when it comes into operation.

Together with technological improvements, we upgraded the template for adjudicating DRAs. This contributed to doubling the adjudication caseload. We have previously been limited to 40 DRAs per day. The process improvement now delivers an average of 80 DRAs per day per Tribunal Member.

Our people and staffing systems are also showing improvements, maintaining an above 90% staffing rate. One big accomplishment is the recruitment of our new COO (Chief Operating Officer). We are pleased to welcome Mr Gijimane Dladla on board to lead and direct the NCT to greater heights.

Finally, we are pleased that we achieved a clean audit for the tenth consecutive year and most of our goals for the past financial year.

**"CHANGE IS THE NEW NORMAL. WE MUST BE AGILE.
COLLABORATION REQUIRES INCLUSIVITY. TRUST AND
CREDIBILITY ARE OUTCOMES OF BEING RESPONSIBLE AND
PRACTICING ACCOUNTABILITY."**

ACCOUNTING AUTHORITY STATEMENT

All these achievements must be attributed to the hard-working management, employees, and Tribunal members who adjudicate cases and DRAs, at the NCT.

STRATEGIC FOCUS FOR THE PERIOD AHEAD

Since justice is a human right, the NCT will focus in future periods on analysing and further improving systems of operations and leadership to ensure that we are adequately skilled, staffed and resourced to ensure that we can deliver our commitments and offer all stakeholders satisfying outcomes. We look forward to doing this for the next financial period and beyond.

The NCT will continue to focus on people, systems, and technology to improve our workflows and the speed of adjudication and administration in delivering our department mandate.

This approach occurs as we move forward into a deeply divided, volatile and uncertain world. As leaders, we need to reflect on the changing landscape in which we operate. The new digital economy will create opportunities and challenges. The effective utilisation of information technology to create or adapt, market, or consume goods and services must be part of our future thinking approach. This includes the use of digital novelties like digital banking, e-commerce, virtual education, smartphone apps and collaboration platforms that will make us more accessible to consumers, debt counsellors, banks, and credit and financial institutions that rely on fast access to

information equipping better decision-making and improving trade and industry.

This means we need to carefully evaluate our people, skills, systems, and structures as we adapt to Web 3.0, the next step in the evolution of the internet, effective use of AI (Artificial Intelligence) and the emergence of the metaverse in the next decade. We already use these technologies for improving both the quality and speed of judgments by Tribunal members.

A key to using these new technology approaches is understanding the right balance between 'form and function', the correct approach to user engagement, communication, and marketing, managing queries, designing systems that are intuitive and improving internal processes. This will move us from legacy paper system thinking to the new world we operate in, where speed and quality are imperative, better decisions are demanded, and efficiency and effective service delivery become paramount.

This opportunity may offer the capability to increase, from our current baseline of 28000 DRAs annually by a measurable amount, provided we leverage these technologies through adequate staffing, training, and resourcing the Tribunal.

Additionally, we have engaged extensively and will continue to interact with our counterparts at the National Consumer Commission (NCC) and National Credit Regulator (NCR) to ensure that we are able to jointly develop a seamless, integrated system for managing the overall caseload.

THE NCT WILL CONTINUE TO FOCUS ON PEOPLE, SYSTEMS AND TECHNOLOGY TO IMPROVE OUR WORKFLOWS AND THE SPEED OF ADJUDICATION AND ADMINISTRATION IN DELIVERING OUR DEPARTMENT MANDATE.

ACCOUNTING AUTHORITY STATEMENT

We will also focus on our relationships with all stakeholders, internal and external, local, and abroad. We want to ensure that we become accessible to the society we serve while leveraging local and international network partners operating in the same space. In the past, we have not sufficiently engaged with the public, debt counsellors, our colleagues in other consumer protection agencies and other legal professionals. Our strategic focus for the next period intends to improve that outcome.

We at the NCT, Tribunal members, managers, and employees alike, remain committed to the implementation of this Annual Performance Plan. We are also excited to envision the real difference it will make in the lives of the people in this country.

ACKNOWLEDGEMENTS AND APPRECIATION

I would like to thank the NCT executive team, management and personnel for their dedication and valuable contribution throughout the year. Their comprehensive work makes it possible for the NCT to achieve its mission and fulfil its mandate.

My sincere appreciation also goes to the members of the Audit and Risk Management Committee for providing oversight. I would also like to express my gratitude to the Minister.



MR TREVOR BAILEY

EXECUTIVE CHAIRPERSON AND ACCOUNTING OFFICER

31 JANUARY 2023

DATE

OFFICIAL SIGN-OFF



national consumer tribunal

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the National Consumer Tribunal under the guidance of the Executive Chairperson and Accounting Authority, Mr Trevor Bailey.
- Takes into account all relevant policies, legislation and other mandates for which the National Consumer Tribunal is responsible.
- Accurately reflects the outcomes and outputs which the National Consumer Tribunal will endeavour to achieve over the period 2023/24 - 2024/25.

Signature: _____

31 JANUARY 2023

Mr Lucky Rabotapi

**Programme manager: Adjudication
(Registrar)**

Signature: _____

31 JANUARY 2023

Adv. Vasanti Srineevassan

**Programme manager: Administration
(Corporate Services Executive)**

Signature: _____

31 JANUARY 2023

Mr Ahmed Moolla

**Programme manager: Administration
(Chief Financial Officer)**

Signature: _____

31 JANUARY 2023

Mr Zac Malumedzha

**Programme manager: Administration
(Acting Chief Information Officer)**

Signature: _____

31 JANUARY 2023

Mr Gijimane Dladla

Chief Operating Officer

Approved by:

Signature: _____

31 JANUARY 2023

Mr Trevor Bailey

Accounting Authority



MEET THE LEADERSHIP TEAM



Mr Trevor Bailey
Executive Chairperson and
Accounting Authority



Mr Gijimane Dladla
Chief Operating Officer



Mr Ahmed Moola
Chief Financial Officer



Mr Lucky Rabotapi
Registrar



Adv Vasanti Srineevassan
Corporate Service Executive



Mr Zac Malumedzha
Acting Chief Information Officer

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LIST OF ABBREVIATIONS

ACFTA	African Continental Free Trade Agreement	NCC	National Consumer Commission
ADR	Alternative Dispute Resolution	NCR	National Credit Regulator
AGSA	Auditor-General of South Africa	NCT	National Consumer Tribunal
APP	Annual Performance Plan	NDP	National Development Plan
AQM	Adjudication Quality Model	OECD	Organisation for Economic Co-operation and Development
CCMA	Commission for Conciliation, Mediation & Arbitration	PAIA	Promotion of Access to Information Act ("Act No 2 of 2000")
CCRD	Consumer and Corporate Regulation Division	PAJA	Promotion of Administrative Justice Act ("Act No 3 of 2000")
CFO	Chief Financial Officer	PDP	Personal Development Plan
CMS	Case Management System	PEO	Public Entity Oversight Unit
COO	Chief Operating Officer		Political, Economic, Social,
CIO	Chief Information Officer	PESTLE	Technological, Legal, Ethical and Environmental
CSE	Corporate Services Executive		
CPA	Consumer Protection Act ("Act No 68 of 2008")	PFMA	Public Finance Management Act ("Act No 1 of 1999")
DIA	Debt Intervention Applications	PPE	Personal Protective Equipment
DRA	Debt Re-arrangement Agreement		
DRI	Debt Relief Interventions	POPIA	Protection of Personal Information Act ("Act No. 4 of 2013")
EAF	Enterprise Architecture Framework		
ESS	Employee Self-Service	ROI	Return on Investment
GRAP	Generally Recognised Accounting Practice	SMME	Small Medium & Micro Enterprise
HR	Human Resources	SR	Strategic Risk
ICT	Information and Communications Technology	SWOT	Strengths, Weaknesses, Opportunities, Threats
IT	Information Technology	the dtic	The Department of Trade, Industry and Competition
MIS	Management Information System		
MTEF	Medium Term Expenditure Framework	VUCA	Volatile, Uncertain, Complex & Ambiguous
MTSF	Medium Term Strategic Framework	WEF	World Economic Forum
NCA	National Credit Act ("Act No 34 of 2005")		
NCAA	National Credit Amendment Act (Act No 7 of 2019)		



PART A


OUR MANDATE



OUR MANDATE

1. Legislative & Policy Mandates

The National Consumer Tribunal was established in terms of the National Credit Act, No. 34 of 2005 (“NCA”) to adjudicate on applications and referrals in terms of the NCA. In September 2006, sixteen (16) independent Members of the Tribunal, including a Chairperson, were appointed by the President of South Africa, thereby formally establishing the Tribunal. With effect from 1 April 2011, the Tribunal’s mandate was expanded to include the adjudication of applications and cases referred to it in accordance with the Consumer Protection Act, No. 68 of 2008 (“CPA”). The National Credit Amendment Act (“NCAA”) also came into effect on the 13 March 2015 and provided for more stringent regulation of participants in the credit market, including payment distribution agents and alternative resolution agents. It further expanded the role of the NCT in that the National Credit Regulator may directly refer the above-mentioned parties, who fail to adhere to the prescripts of the NCA as amended, to the NCT. Furthermore, it provided the NCT with an expanded mandate to adjudicate on reckless credit matters.



The passing of the National Credit Amendment Act, Act No 7 of 2019 (“NCAA 7 of 2019”) provides for the NCT to play an important adjudicative role in debt relief for consumers. The new amendments within this legislation introduce elements of law regarding insolvency type regulation similarly found in the United Kingdom. Generic insolvency matters have in the past been exclusively processed through the High Court at high cost to applicants. With the new amendments, overindebted low- and no-income earners, as well as those who have no assets, have access to lawful state-funded insolvency processes if they meet specific, laid down criteria.

CONSTITUTIONAL MANDATE

These amendments give expression to the constitutional right for ‘access to justice’ as provided for in Section 34 of the Constitution. The section provides that: “Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum.” The following sections serve as a summary of the different elements, Constitutional and Legislative, that make up the NCT’s mandate. A summary of the delivery model underpinning the dispute resolution process for consumer and credit disputes is also included.

1.1. Constitutional Mandate

The NCT carries out its work with due regard to the fundamental rights as contained in Chapter 2 of the Bill of Rights of the Constitution of the Republic of South Africa. Specifically, the NCT has a direct impact on the provisions of Sections 32, 33 and 34 of the Constitution, in Table 2 below and under the Bill of Rights, as set out in Table 3 on the page to follow;.

Table 2 • Constitution Mandate

Section 32	<p style="text-align: center;">Access to Information</p> <ol style="list-style-type: none"> 1. Everyone has the right of access to <ol style="list-style-type: none"> a. Any information held by the state; and b. Any information that is held by another person and that is required for the exercise or protection of any rights. 2. National legislation must be enacted to give effect to this right and may provide for reasonable measures to alleviate the administrative and financial burden on the state.
Section 33	<p style="text-align: center;">Just administrative action</p> <ol style="list-style-type: none"> 1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair. 2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons. 3. National legislation must be enacted to give effect to these rights, and must <ol style="list-style-type: none"> a. Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal. b. Impose a duty on the state to give effect to the rights in subsections (1) and (2); and c. Promote an efficient administration.
Section 34	<p style="text-align: center;">Access to Courts</p> <p>Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court; or where appropriate, another independent and impartial tribunal or forum.</p>

LEGISLATIVE MANDATE

1.2 Legislative Mandate

The work of the NCT is governed by a **legislative framework** as set out below:

Table 3 • Legislative Mandate

National Credit Act 34 of 2005	<p>To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information;</p> <p>to promote black economic empowerment and ownership within the consumer credit industry;</p> <p>to prohibit certain unfair credit and credit-marketing practices; to promote responsible credit granting and use and for that purpose to prohibit reckless credit granting to provide for debt re-organisation or debt intervention in cases of over-indebtedness;</p> <p>to regulate credit information to provide for 20 registration of credit bureaux, credit providers and debt counselling services; to establish national norms and standards relating to consumer credit;</p> <p>to promote a consistent enforcement framework relating to consumer credit to establish the National Credit Regulator and the National Consumer Tribunal to repeal the Usury Act, 1968, and the Credit Agreements Act, 1980, and to provide for related incidental matters.</p>
Consumer Protection Act 68 of 2008	<p>To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection;</p> <p>to provide for improved standards of consumer information; to prohibit certain unfair marketing and business practices;</p> <p>to promote responsible consumer behaviour;</p> <p>to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements;</p> <p>to establish the National Consumer Commission (NCC); and to repeal certain laws.</p>

LEGISLATIVE MANDATE

Table 3 Continued • Legislative Mandate

<p>National Credit Amendment Act 7 of 2019</p>	<p>To amend the National Credit Act, 2005, so as to provide for debt intervention; to insert new definitions;</p> <p>to include the evaluation and referral of debt intervention applications as a function of the National Credit Regulator and to provide for the creation of capacity within the National Credit Regulator and logistical arrangements to execute this function;</p> <p>to include the consideration of a referral as a function of the Tribunal; to provide for the recording of information related to debt intervention; to require a debt counsellor to investigate whether an agreement is reckless;</p> <p>to provide for a court to enquire into and either refer a matter for debt intervention or make an order related to debt intervention;</p> <p>to provide for a Magistrate's Court and the Tribunal to determine the maximum interest, fees or other charges when re-arranging debt and for guidance to be prescribed in this regard; to provide for an application for debt intervention and the evaluation thereof;</p> <p>to provide for the Tribunal to re-arrange a consumer's obligations and make an order in respect of an unlawful credit agreement;</p> <p>to provide for orders related to debt intervention and rehabilitation in respect of such an order;</p> <p>to provide for mandatory credit life insurance to be prescribed;</p> <p>to provide for offences related to debt intervention, prohibited credit practices, selling or collecting prescribed debt and related to failure to register as required by the Act;</p> <p>to provide for measures when an offence is committed by a person other than a natural person; to provide for penalties in relation to the newly created offences; to provide for the Tribunal to change or rescind an order under certain circumstances;</p> <p>to require the Minister to make regulations related to a financial literacy programme; to provide in a transitional provision for the application of this Amendment Act to credit agreements entered into before its commencement; and to provide for matters connected therewith.</p>
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OUR MANDATE

The NCT derives its mandate from **Section 27 of the National Credit Act**. The role of the Tribunal is to adjudicate on:

- Applications made in terms of the National Credit Act 34 of 2005 or the Consumer Protection Act 68 of 2008 by consumers, credit providers, credit bureaux, debt counsellors, the National Credit Regulator and the National Consumer Commission.
- Applications for interim relief and review decisions by the National Credit Regulator and the National Consumer Commission.
- Matters referred to the Tribunal by the National Credit Regulator or the National Consumer Commission regarding complaints related to allegations of prohibited conduct; and
- Applications for debt re-arrangement agreements to be made an order of the Tribunal in terms of the National Credit Act 34 of 2005 or consent orders in terms of the Consumer Protection Act 68 of 2008.

As an **independent adjudicative entity**, the NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, debt counsellors, credit bureaux, payment distribution intermediaries as well as alternative dispute resolution agents. In so doing, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA and the Rules of the Tribunal. In pursuing its legislative mandate, the NCT may:

- Adjudicate on any application or referral of prohibited or required conduct that may be made to it in terms of the Acts.
- Effect any order outlined in the Acts, in respect of such an application and / or adjudicate on allegations of prohibited conduct by determining whether
- prohibited conduct has occurred and, if so, impose a remedy or relief as provided for in the promulgated Acts;
- Grant an order for costs, with regard to these Acts; and
- Exercise any other power conferred on it by these Acts.

The NCT adjudicates on applications and referrals of prohibited conduct in pursuance of the purpose of the NCA and CPA. These are as set out in Section 3 of these Acts respectively and is in accordance with Section 142 of the National Credit Act, the imperatives of the Constitution and the provisions of the Promotion of Administrative Justice Act (PAJA).

OUR MANDATE


The passing of the **National Credit Amendment Act** (Act No 7 of 2019) extends the work of the NCT going forward. This Act provides for the NCR to submit recommendations to the NCT for decisions relating to debt relief and to suspend credit agreements. This would be in instances where the NCR deems the consumer to have met the qualification criteria for the suspension or expungement of the debt. Its powers include limiting the maximum interest rate, fees or other charges that may be paid under a qualifying credit agreement and suspend the debt for a period not exceeding 12 months. This is accompanied by the possibility of this being extended for a further 12 months on application. The NCT may also make an order that no interest, fees, or charges be payable.

The main purpose of this Act is to introduce a component of insolvency for natural persons who meet certain strict criteria, have unsecured credit that they are unable to pay and have no assets or income. This category of debtor falls below the scope of statutory insolvency in the civil courts, by way of financial exclusion. Whilst insolvency is legally available to those debtors who can afford it in the civil courts, this comes with high legal costs which are unaffordable to those with no income and no assets (NINA's). The Act, therefore, wisely and fairly, provides for extra-judicial insolvency, free of cost to the qualifying debtor.



PART B

OUR STRATEGIC FOCUS



UPDATED SITUATION ANALYSES

Situational Analysis

The NCT is committed to an ongoing, inclusive process of strategy crafting, planning, alignment and review. As an important part of this process, the NCT engages with its leaders, employees and key stakeholders annually to consider how its internal and external context has changed and how it is likely to change going forward.

In light of this approach, the NCT commenced a trust and employee workshop in early August 2022. This strategic session laid the basis for the Risk Management and strategy review sessions that followed 19-21 September 2022. These workshop days are the first part of a longer process to build employee engagement, enhance the NCT culture and align to the organisation values of;

- Integrity
- Accessibility
- Accountability
- Respect
- Reliability and
- Innovation

UPDATED SITUATION ANALYSIS

The last two years have put everyone under severe pressure to perform in adverse circumstances, and despite performance levels being maintained, relationships have been strained, and the executive leadership is cognisant of the work that needs to be done in the next 18 months to rebuild a culture of trust and credibility.


The strategy crafting and review process has informed amendments to both the NCT's Strategy and APP. These amendments are based on a realistic assessment of the NCT's current and future required capabilities, core competencies and its evolving strategic intent. In particular, the review process considered the following key imperatives:

- the needs of the NCT's primary stakeholders – consumers, debt counsellors and other filing parties;
- the potential role that the NCT can play in delivering on South Africa's national outcomes and key priorities, especially the MTEF / Presidential Priorities;
- current and future advances in technology;
- the potential for innovation and improvement;
- the need for inter-agency collaboration around a common digital architecture;
- future proposed amendments to the National Credit Act, Act No 35 of 2005;
- the passing of the National Credit Amendment Act, Act No 7 of 2019;
- the need for alignment with all relevant legislation;
- the war in Ukraine;
- the impact of the COVID-19 pandemic on the people and operations of the NCT;
- the consequential economic impacts of a global recession that may affect South Africa and its citizens.

So what? Implications for NCT of global trends & risks.

The key implications of this global environmental assessment for the NCT are as follows:

- Reduced global economic growth will negatively impact the SA economy as the demand for South African goods, services, resources and agricultural products will be reduced.
- Healthcare systems will continue to require investments to cope with the effect of COVID-19 for some time to come, impacting the ability of the fiscus to provide adequate funding for the NCT.
- COVID-19 is unlikely to be the last infectious disease outbreak globally. The NCT will need to ensure that it is agile and fully able to adapt operations to remote working and access. This will require an ongoing investment in optimising NCT's ICT system.
- Climate change and volatility may well have an impact on the SA economy in years to come in the form of droughts and / or natural disasters impacting both agricultural and economic activity.
- Cyber-security should remain a high priority as dependence on increasingly intelligent digital systems and data is deepened.



EXTERNAL ENVIRONMENT ANALYSIS

World conditions have become unpredictable and uncertain in 2023. As we enter 2023, the external business environment in South Africa continues to be dynamic and complex. The country is facing numerous challenges, including political instability, a struggling economy, and increasing pressure to address environmental and social concerns.

“Humans are not good in the boiling frog scenario, which is climate change, they’re much better in the fight or flight scenario, which has been the pandemic,” notes Peter Giger, group chief risk officer at Zurich Insurance Group. Societal risks were of nearly as great concern, occupying three of the Top 10 slots, with the others (at the bottom) being filled by economic and geopolitical worries.

Here’s a look at the WEF’s Top 10 Global Risks by Severity:

1. Climate action failure
2. Extreme weather
3. Biodiversity loss
4. Social cohesion erosion
5. Livelihood crises
6. Infectious diseases
7. Human environmental damage
8. Natural resource crises
9. Debt crises
10. Geoeconomic confrontation

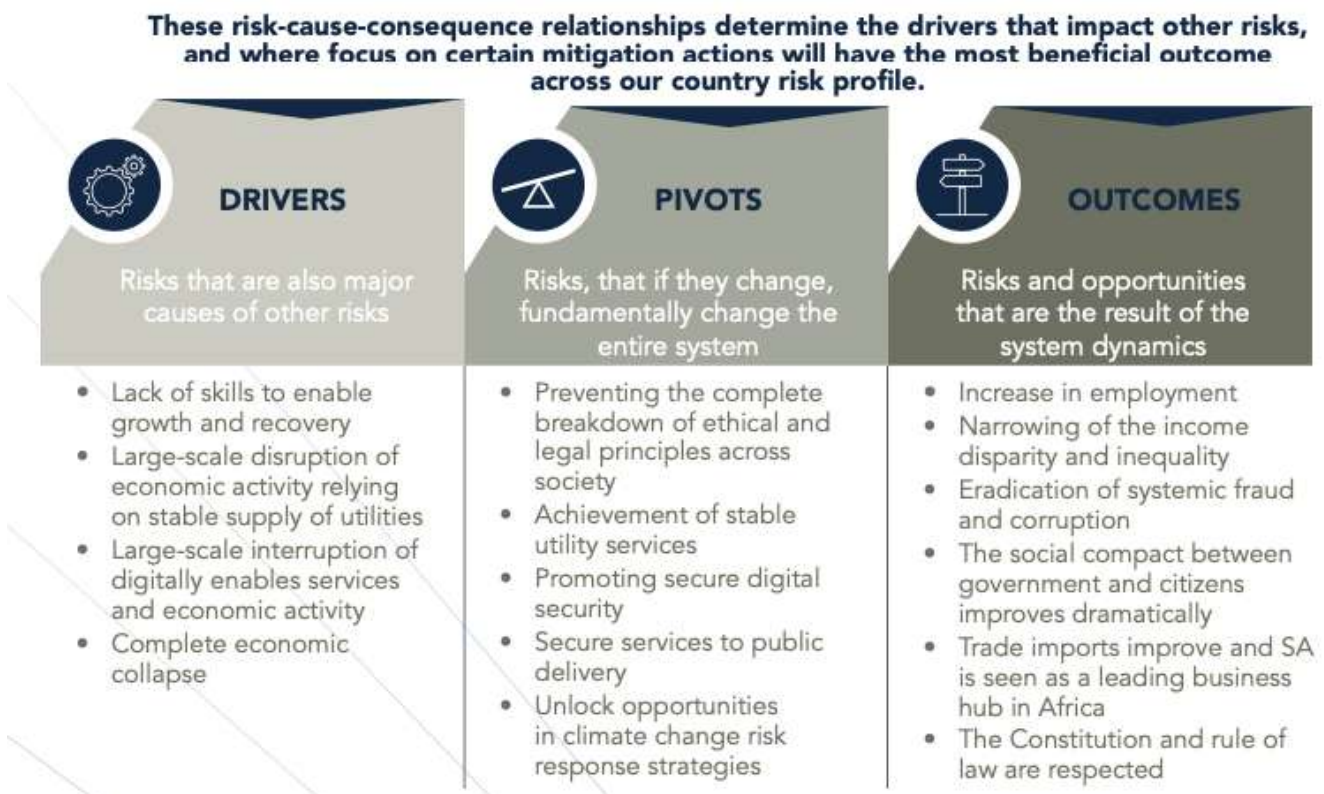
UPDATED EXTERNAL ANALYSIS

The South African context of risk is described as follows by the IRMSA:

"Currently we are only just in the 'Fake it until we make it, or not?' scenario, which is where we have been for the past two years. What is encouraging is that recently we have been doing some things right, although not nearly enough. We now have to urgently overcome the current inertia to avoid a slip into the worst-case scenario of a 'Perpetual hangover'. The challenge is to avoid regressing on any of our recent efforts and losing the benefit of our gains so far. While we are barely in the 'Fake it until we make it, or not?' scenario, we now need to focus on sustained implementation of what we have started. We need to leverage the progress we have made and translate our efforts into tangible outcomes. The threat and opportunity landscape is challenging, but we believe we are on the right course. We now need to demonstrate our staying power as a country and organisations to succeed. "

We need to leverage the progress we have made and translate our efforts into tangible outcomes.

The report goes further by illustrating the relationship between Drivers, Pivots and Outcomes.



UPDATED EXTERNAL ANALYSIS

Political

- A perception of challenges within the ruling party.
- Perceptions created about public sector corruption, ethics and procurement practices.
- Ongoing service deliver challenges.
- An active citizenry- mobilising against corruption and poor service delivery.
- Rise in populism with a more militant approach to social change.
- Potential regulatory integration / mergers as a result of pressures on the fiscus.
- Increasing pressure for collaboration and sharing of resources across public entities.

Technological

- The evolution of the Spatial Web / Web 3.0, transferring experiences from screens into physical space, incorporating a layered approach – Spatial Interaction Layer, Digital Information Layer & Physical Layer.
- Increase in cyber-security threats - cyberterrorism, ransomware and increased information security challenges– including increasing sophistication of attacks on IT security, data and HR processes.
- Increased augmentation of remote working through cloud- based access to information and the ubiquitous use of conferencing and collaboration tools / applications.
- Advances in technology in line with the ‘Fourth and emerging Fifth Industrial Revolution’ – robotics, nanotechnology & ‘Internet of Things’. Need to re-skill and up-skill our people to ensure that they remain relevant to NCT’s requirements.
- The positive potential of the rise of ‘big data’, predictive
- Analytics, artificial intelligence as well as intelligent forecasting and reporting tools
- Power of automation, including cognitive automation, to cut costs.
- Ongoing layoffs of knowledge workers in various sectors as a result of digital transformation.
- Low-cost access to technology & communications devices such as smartphones plus increased access to smartphones by ordinary people – can access full internet, not just telephony.
- Rapid increase in on-line shopping and commercial transactions, in South Africa and across borders, requiring the strengthening of e-consumer protection and new ways of adjudicating on such cases.
- The advent of e-government and the increased delivery of public services through digital platforms and channels.
- Increasing need for seamless, cross-agency, interconnected data architecture.

UPDATED EXTERNAL ANALYSIS

Economic

- Real economic growth is expected to contract by -4.46% in 2021 as a result of restrictions on economic activity to contain the spread of the CORONA-19 virus.
- 2021 Credit Agency downgrades and weak investor confidence compound economic challenges.
- The 'horns of the bull' – increased government expenditure and reduced income from taxation
- The consolidation of intermediaries especially Debt Counsellors – fewer but bigger
- Trade wars based upon increasing global culture of nationalism and protectionism.
- Increase in self-employment. Blurred lines between consumers and small businesses as people opt for self-employment as job opportunities in the formal sector decrease.
- Increase in on-line business, personal transactions, education and learning.
- The cost of government borrowing will increase going forward.
- Low real interest rates may stimulate consumer demand for debt increasing vulnerability should rates rise in future.
- Flat economic growth projections for strategic period below 4% to 2023).
- Deepening recession impacting negatively on the economy and already financially stressed consumers and businesses. Consumers increasingly credit dependent.
- Report that they no longer receive an income, 8.1% report they have lost jobs or closed businesses, 7% report that they experience hunger – Statistics SA)
- Projections that consumer debt defaults are set to rise (TransUnion) coupled with concerns that consumers under DRA orders will not be able to comply
- Economic risks to SA economy include volatility in global financial markets, sudden interruptions in capital inflows, reliability of electricity supply, commitments to fund state-owned entities, low levels of confidence, policy uncertainties and concerns about governments commitment to the independence of the Reserve Bank
- Financial constraints on the fiscus with cuts in budgets of government departments and public sector entities.
- Cuts in budget allocations constraining public sector service delivery.
- Possibility of consolidation of public sector entities.

Legal / Ethics

- More laws, increasing moral prescription rather than reliance on ethics or moral guidance.
- POPIA in force.
- Legislation requiring human oversight of technology.
- Need to ensure due legal process in on-line adjudications.
- Strong regulatory environment causing a shift in levels of compliance – less reckless lending.
- Rise of concerns regarding the ethical use of algorithms.

UPDATED EXTERNAL ANALYSIS

6.0 UPDATED KEY RISKS AND MITIGATION FROM THE SP

Social	Environmental
<ul style="list-style-type: none"> Increasingly youthful nature of South Africa's population – 67% below age of 25 – increases potential for a long-term demographic dividend. Multi-generational consumers shopping online. Increased use of social media as a way of accessing and distributing information as an alternative to traditional media. Unrepresented consumers and consumers with low literacy levels before the Tribunal. Urbanisation – rural to urban migration continues. Increasingly high levels of unemployment. Active Citizenry - demand for improved access to services and improved service delivery. Increase in flexible working practices. Rise of digital inter-connectedness. Increase in flexible working practices. Rise of digital inter-connectedness. Poor standard of the SA educational system holds back technology adoption. Rise of new jobs – data scientists, business translators, curators etc – providing new opportunities for careers and re-skilling. Increasing digital divide between those with access to technology and those without. Reduction in mobility and travel. Increased levels of anxiety, isolation & psychological stress in society. 	<ul style="list-style-type: none"> Climate change – reaching tipping point of no return. Increased environmental consciousness starting to impact positively on behaviour. Reduced mobility benefits the environment Potential of future “climate shocks” to the economy Rise in environmentally friendly practices - need to minimise NCTs carbon footprint Potential future costs of acid leaching and mine rehabilitation. Increasing resource scarcity – water & electricity.



INTERNAL ENVIRONMENT ANALYSIS

Sensing is not confined to the external environment. Understanding what is happening internally provides a sense of whether the NCT is able to rise to the challenges and opportunities in the external environment. A SWOT analysis is a strategic tool for evaluating an organisation's internal environment, including its resource capabilities and deficiencies. The NCT's internal strengths and weaknesses, together with the external opportunities and threats referenced earlier, were evaluated to provide a basis for re-aligning, re-prioritising and refining the NCT's goals and objectives.

The purpose of the analysis is for the NCT to optimise identified strengths, harness opportunities, offset identified weaknesses and mitigate threats.

- Strengths are those factors that give the NCT a distinctive advantage in increased efficiency or effectiveness within its particular environment. It may use such factors to accelerate and sustain the achievement of its strategic goals.

UPDATED INTERNAL ANALYSIS

- Weaknesses refer to limitations, faults, or defects within the organisation that prevent it from achieving its goals. These identify those activities the Tribunal performs poorly or where it has inferior capabilities or limited resources as compared to other similar organisations.
- Opportunities include any favourable current or prospective situations which could be facilitated to allow the NCT to enhance its efficiency and effectiveness.
- Threats may be a barrier, constraint, or anything which may create challenges, or inflict damages, harm or injury to the NCT.

In order to contribute to a well-informed SWOT analysis, the NCT also supplemented its leadership engagement with an internal on-line employee assessment of its functioning. Data is sourced from scores taken from the internal diagnostic as well as the perceptions of leaders at workshops.

In the on-line assessment, the majority of those surveyed expressed the view that the NCT had responded well to COVID-19 with many praising the way ICT systems had been developed to enable remote working and to ensure business continuity. Most confirmed an expectation that the NCT would ensure a safe return to work through adopting the appropriate mitigation measures. Most were uncertain about what a post-COVID-19 future may hold with an even split between those who were excited and those who were fearful about the future. The majority of people believed that COVID-19 would significantly impact ways of working at the NCT in future.

UPDATED INTERNAL ANALYSIS

Strengths

- Deep understanding of Consumer and credit legislation, debt Counsellors and industries covered.
- Consistent and impartial approach followed by NCT.
- Increased accessibility and limited cost saving as a result of accelerated automation of systems including e-filing.
- NCT offers affordable alternative to the courts.
- Quick case turnaround times post hearings.
- Employees generally understand the NCT's purpose, mandate, Strategy & APP.
- Positive external perceptions of the NCT brand & reputation.
- Ability to successfully execute strategy and achieve goals and targets.
- Performance ethic – achievement of business plan targets and clean audits – nine years in succession.
- non-DRA adjudications being conducted virtually have significantly reduced costs
- Collaboration with other agencies to develop shared ICT architectures, thereby leveraging costs. Potential to provide support to other regulatory entities with regard to ICT enablement and the automation of intelligent systems.
- Competent leadership team with the ability to be innovative and adaptable.
- Departments / divisions well aligned with NCT strategy
- Effective financial and governance structures and committees.
- Sound financial disciplines and management.
- Enabling ICT architecture – CMS.
- Legislative empowerment & authority.
- Sound policy and procedure framework.
- Diversity and relevance of knowledge and expertise of Tribunal Members and employees.
- Sound adjudicative quality – limited adjudicative challenges since inception.
- Case Management System enables efficient and effective ingestion of data through e-filing.
- Availability of automated reporting.
- Positive shifts in NCT's organisational culture and climate – core cohesive, driven by improved ways of working, constructive conversations and greater caring for and nurture of people.
- Streamlined management meetings and reports.
- Focused structure with clearly defined work areas and accountabilities.
- Able to mobilise resources to achieve fast results – e.g., eradication of backlog.

Weaknesses

- Non-DRA Legacy data not readily available online.
- Financial constraints.
- Inadequate communication of process changes.
- Employee turnover in critical units.
- Lack of specialised internal ICT support capacity on aspects such as Business Intelligence.
- Capacity of employees to upskill and reskill in response to changing demands for skills, particularly with digital analytics.
- Funding challenges including decreasing budgetary allocations.
- Requirement for high level of oversight over written quality of TM judgements (Perusing judgments before releasing them for issuing).
- Lack of internal communication – across departments and levels

UPDATED INTERNAL ANALYSIS

Opportunities

- Potential for NCT to become an Appeals Tribunal for Consumer Courts of Provinces, where these have been established.
- Knowledge sharing with other national, regional and international consumer protection agencies.
- Assist other regulators and Consumer Protection agencies with the implementation of, and where relevant, integration of, case management and adjudication systems, thereby improving efficiency and overall service delivery.
- Grow structure through a flexible combination of permanent and contingent employment, remote & on-siteworking.
- Adoption of enabling cognitive automation technologies
- Enhanced visibility and role differentiation through building relationships with other credit and consumer regulators / agencies.
- Focus on youth development and employment in alignment with the dtic and Government objectives (i.e., NDP) while containing costs.
- Increased potential for Alternative Dispute Resolution including potential use of mediation as way of enabling litigants to resolve differences.
- Support capacity of provincial courts.
- Enhancements of Case Management System to allow intelligent access to information by Tribunal members - semi-artificial intelligence system for electronic retrieval of relevant information based upon key meta tags.
- Expand CMS to mobile devices.
- Increase stakeholder and consumer awareness of the NCT's operations through introduction of electronic education system.
- Engage with parliamentary stakeholders – build personal relationships (e.g., meet with Portfolio Committee).
- Potential of partnerships to demonstrate intra-governmental collaboration and service to the public.
- Potential to contribute to thinking around harmonisation of consumer legislation and adjudication to provide for cross border, on-line purchases.

Threats

- Uncertainty with regard to the pace of increase in future caseload.
- High compliance costs pertaining to audits and governance committee fees ratio to income as well as resource requirements.
- Length of time required to make changes to enabling legislation.
- Potential for key employees to contract COVID-19, impacting leadership continuity and reducing institutional expertise and wisdom.
- ICT security threats and safeguarding of public information - vulnerability to cyber-terrorism and ransomware.

NCT's contributions towards the achievement of DTIC outcomes

RED TAPE REDUCTION INTERVENTIONS

No	Output Indicators	2023/2024 Target	NCT initiatives to achieve output	Impact on consumer and economy
1.	Average number of days from date of filing of DRA to date of issuing order to parties	55 days	Continuously review and improve on the case management system and processes that deal with the adjudication of debt review applications.	<p>Consumers debt review applications will be finalised faster as a result of faster turnaround times and easier accessibility for filing parties which will prevent the loss of consumers homes and vehicles. Consumers will hence not be subject to recovery proceedings from other courts thereby ensuring that the consumer is financially able to survive and support his/her family. This reduces financial and emotional stress that financial difficulty has on consumers.</p> <p>Improved and sustainable repayment terms supported by reduced interest rates and progressive payment terms.</p>
2.	Average number of days from the date of close of pleadings of non-DRA's to date of issuing notice of set down to filing parties	15 days	Streamlining case allocation and case set down procedures.	Matters for adjudication are set down within shorter timeframes which will result in speedy redress for outcomes of applications filed by filing parties within the consumer protection framework.
3.	Average number of days from the date of final adjudication of non-DRA to date of issuing an order	20 days	Clear and specific turnaround times for expeditious writing of quality judgements by Tribunal members.	The expeditious issuing of Tribunal judgments will provide filing parties with certainty and relief. Orders by the Tribunal providing consumers with refunds, repairs, or replacement as the case may be in terms of the CPA. Through Tribunal orders consumers are provided with refunds on excessive interest rates, fees, charges, and the setting aside of credit agreements in terms of the NCA.
4.	Systems availability during business hours	98%	Continuous review and innovative improvement of systems availability threshold for internal and external.	<p>Improved confidence in the use of CMS and potentially more DRA applications filed with the Tribunal, which results in less financial stress for consumers.</p> <p>Increased accessibility to the NCT consumers in the use of CMS via Mobile App, also resulting in an increase in DRA applications.</p>

DTIC IMPACT CONTRIBUTION

NCT's contributions towards the achievement of DTIC outcomes

RED TAPE REDUCTION INTERVENTIONS

No	Output Indicators	2023/2024 Target	NCT initiatives to achieve output	Impact on consumer and economy
5.	Number of designated Systems Security assessment interventions	1 External and 1x Internal systems penetrations tests and Project action plan to address the findings.	Implementation of an independent Cybersecurity audit is key to ensuring that on an ongoing basis, we are always assessed so that we ensure that our data's availability and integrity, as well as the whole network infrastructure, are protected from the ever-increasing and ongoing threat of cyber-attacks which would severely compromise the organisation.	Increased consumer confidence that their personal information is protected.
6.	Implementation of digital signatures on issued Debt Rearrangement Orders	100% system implementation and in production	Implementation of a digital signatures feature on CMS to secure electronically generated Debt Rearrangement Orders.	Increased confidence with and in filing parties that orders are secured. Combating and eliminating fraudulent orders being issued so signatures cannot be tampered with, thereby providing greater protection to all filing parties.
7.	Develop\Deploy an electronic hearings file preparations, review, and dispatching system for external parties.	100% system implementation and in production	Implementation of an Automated system for the preparation and issuing of hearing files within the Registry unit.	Improved efficiencies and cost savings on the budget. Quicker redress to consumers/filing parties on the finalisation of their cases have a positive impact on their issues being speedily resolved, enhancing consumer confidence in the NCT.
8.	Deployment of integrated Finance and Human Resources process and data management system	100% system implementation and in production	Implementation of an integrated Finance and HR process and data management system.	Improved systems and processes increasing efficiencies, duplication of tasks, improved service delivery and cost saving on the budget.

NCT's contributions towards the achievement of DTIC outcomes

SUPPORT PROGRAMMES IN LABOUR ABSORBING SECTORS

No	Output Indicators	2023/2024 Target	NCT initiatives to achieve output	Impact on consumer and economy
9.	Employment of interns	6	Consistent implementation of an appropriate intern program within the various functions at the NCT.	Job creation by ensuring that students acquire the minimum work experience required for entry into the labour market.

NEW JOBS CREATED THROUGH INTERVENTIONS

No	Output Indicators	2023/2024 Target	NCT initiatives to achieve output	Impact on consumer and economy
10.	Job creation	5	a. Create and implement a contingency pool to accommodate fluctuations in the increase of the workload.	Positive contribution towards reducing the unemployment levels.

LEGISLATION

No	Output Indicators	2023/2024 Target	NCT initiatives to achieve output	Impact on consumer and economy
11.	Number of cases overturned on review in High Court	0 cases	Implementation of an appropriate quality assurance model in relation to all judgments of the Tribunal and records.	The judgments and imposition of administrative penalties where applicable, create legal certainty for registrants in terms of the NCA, suppliers in terms of the CPA and consumers, shaping the behaviour of the consumer and credit industry.

A grayscale photograph of a hand in a business suit giving a thumbs up gesture. The hand is positioned in the center-right of the frame. In the background, there is a desk with a wire pen holder containing several pens, a small potted plant, and a calculator. A large red diagonal shape is in the top right corner, and a large gold diagonal shape is in the bottom left corner. The text 'PART C' is overlaid on the gold shape.

PART C

MEASURING OUR PERFORMANCE

1. Institutional Programme Performance Information

The following pages demonstrate the NCT's performance measures, outcomes, outputs and output indicators and targets for the period 2023/2024 – 2024/2025.

When read in conjunction with the Strategic Plan 2023/2024 – 2024/2025, a view of the NCT's multi-year projections of programmes and strategic initiatives is provided.

The NCT has two programmes;

- Programme 1 – Adjudication
- Programme 2 – Administration

1.1 Programme 1: Adjudication

- a. Purpose: To provide the necessary administrative and adjudicative and other related services to ensure that the NCT delivers successfully on its legislative mandate.

1.1.1 Description of sub-programmes for Adjudication

a. Case management

- Purpose is to provide services to ensure that all cases are timeously prepared, that filing parties and applicants are communicated with and that all pertinent information is recorded and disseminated.

b. Adjudicating

- Purpose is to adjudicate, with both substantive and interlocutory applications. It ensures that competent, professional, impartial adjudicators are available to attend to matters, that the procedures followed are fair and that adjudicators' decision making is substantively sound, in accordance with legal precedents and requirements.

MEASURE OUR PERFORMANCE ADJUDICATION OUTCOMES TO DELIVERY OF MANDATE

How the chosen outcomes link to the institutional mandate

Stakeholder confidence in the NCT – inspired by high quality adjudication and case management

The NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, debt counsellors, credit bureaux, payment distribution intermediaries as well as alternative dispute resolution agents. In so doing, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA and the Rules of the Tribunal.

Aligned to the NCT's mandate and the overarching legislative provisions, there are four guiding principles that define the Tribunal's approach to adjudication. These foundation provisions require the NCT to conduct itself in a manner that is:

1. Inquisitorial (within the cases of the parties)
2. Expeditious (where noncompliance with procedures may be condoned).
3. Informal; and
4. In accordance with the principles of natural justice.

All applications before the Tribunal have been categorised as either debt-review applications (DRA's) or Non-debt-review applications (Non DRA's). This is to ensure application complexity is considered through the case management and adjudication processes.

To ensure expeditious adjudication of DRA's the Tribunal has created a time sensitive measure that considers the adjudication efficiency from a case management and adjudication perspective.



To ensure expeditious adjudication of Non DRA's the Tribunal has created two-time sensitive measures, the first to ensure case management efficiency and the second to ensure adjudication efficiencies.

To ensure adjudication that is inquisitorial, informal in accordance with the principles of natural justice the Tribunal has created a measure which tracks decisions overturned on review in the Supreme Court of Appeal. Should no decisions be overturned, the Tribunal has some assurance that its decisions and practices are aligned to its aligned founding principles.

By ensuring expeditious judgments of a high quality the Tribunal delivers on its legislative mandate resulting in inspired stakeholder confidence. Therefore, the performance measures in place is aligned to the adjudication program and mandate of the Tribunal.

**"TO ENSURE ADJUDICATION THAT IS
INQUISITORIAL, INFORMAL IN ACCORDANCE
WITH THE PRINCIPLES OF NATURAL JUSTICE"**

PART C

MEASURE OUR PERFORMANCE

PROGRAMME 1 - PERFORMANCE MEASURES					Annual Targets					
Joint Indicators	Joint Indicators (Key Area)	Outcomes	Outputs	Output Indicators	Audited Performance			Est. Perf.	MTEF Period	
					2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025 2025/ 2026
Delivery / Capable State (Joint KPI 3)	Addressing red tape and compliance in internal processes, including targets on turnaround times (Key performance area 5)	Stakeholder confidence in the NCT – inspired by high quality adjudication and case management	Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of filing of DRA to date of issuing order to parties	69.55 days	64.18 days	30.74 days	60 days	55 days	50 days
				Average number of days from date of close of pleadings of non-DRA's to date of issuing notice of set down to filing parties	15.03 days	5.31 days	20 days	15 days	15 days	
				Average number of days from date of final adjudication of non-DRA to date of issuing an order	17.44 days	12.41 days	10.92 days	20 days	20 days	

PART C

MEASURE OUR PERFORMANCE

PROGRAMME 1 - PERFORMANCE MEASURES							Annual Targets			
Joint Indicators	Joint Indicators (Key Area)	Outcomes	Outputs	Output Indicators	Audited Performance			Est. Perf.		MTEF Period
					2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	
Delivery / Capable State (Joint KPI 3)	Addressing red tape and compliance in internal processes, including targets on turnaround times (Key performance area 5)	Stakeholder confidence in the NCT – inspired by high quality adjudication and case management	High quality adjudicative decisions that create consistent jurisprudence in consumer, credit, and debt Intervention	Number of cases overturned on review in Supreme Court	Zero cases overturned	Zero cases overturned	Zero cases overturned	Zero cases overturned	Zero cases overturned	2025/ 2026

MEASURE OUR PERFORMANCE ADJUDICATION OUTCOMES TO DELIVERY OF MANDATE

3.0 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

3.1 Adjudication - Programme 1

PROGRAMME 1 OUTPUT AND TARGET

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Average number of days from date of filing of DRA to date of issuing order to filing parties	55 days	55 days	55 days	55 days	55 days
Average number of days from date of close of pleadings of non-DRA's to date of issuing notice of set down to filing parties	15 days	15 days	15 days	15 days	15 days
Average number of days from date of final adjudication of non-DRA to date of issuing judgement to filing parties	20 days	20 days	20 days	20 days	20 days
Number of cases overturned on review in Supreme Court	Zero cases overturned	Zero cases overturned	Zero cases overturned	Zero cases overturned	Zero cases overturned

Institutional Programme Performance Information

The NCT has two programmes;

- Programme 1 – Adjudication
- Programme 2 – **Administration**

1.2 Programme 2: ADMINISTRATION

- a. Purpose: Provide strategic leadership to the Tribunal to ensure the successful implementation of its legislative mandate through flexible, efficient and sustainable resource solutions and supporting services.

1.2.1 Description of sub-programmes for Administration

a. Financial Management and Controls

- The purpose of financial management is to ensure that an organisation's financial resources are best used to achieve its strategic objectives. This involves planning, directing, and monitoring the organisation's financial activities. Financial management also includes making decisions about how to allocate the organisation's financial resources.

b. Corporate Services Support

- The purpose of Corporate Services is to provide the institution with support for the organisation's employees and departments. This includes human resources, communication, legal compliance and secretariat responsibilities. The goal of Corporate Services is to make sure that the NCT runs smoothly and efficiently.

c. Information and Communications Technology Support

- The purpose of ICT is to electronically enable communication and collaboration between people in the institution and to stakeholders and partners outside the NCT. ICT can aid in information and ideas sharing, and improve collaboration, efficiency and speed on work tasks and projects.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE



How the chosen outcomes link to the institutional mandate

1.2.1 (a) Financial Management and Controls

The finance unit plays a significant role in ensuring that the core program and the NCT achieve the mandate. Finance primarily will ensure that the NCT has the financial resources, capacity, and capabilities to deliver on its core mandate and to be financially sustainable for the period covered by the Medium-Term Expenditure Framework (MTEF). In addition, the finance unit is responsible for timely and compliant procurement.

In essence, finance is key to the organisation to ensure sound cash flow management, clean audit outcomes, and timely procurement.

The finance unit performs the following key roles:

- provide sound advice and deliver excellence in its functional services as well as its reporting.
- maintain effective governance and controls; • enhance the reliability and accuracy of its budgeting and forecasting;
- investigate and deliver alternative ways of containing costs;
- investigate and deliver on ways of delivering
- increasing value for money through procurement; and
- enhance its accounting and other business systems and processes to deal with the increased workload within the finance function.

The Finance Unit's Mission is 'to optimise financial performance and good governance at the NCT by providing insightful guidance, excellent service and ensuring sound internal financial controls.

**"FINANCE IS KEY TO THE ORGANISATION TO
ENSURE SOUND CASH FLOW MANAGEMENT,
CLEAN AUDIT OUTCOMES, AND TIMELY
PROCUREMENT."**

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE



1. Financial Capacity and Strategy

The Finance Strategic Plan has been informed by the NCT's Strategic Plan for 2020/21–2025/26. It has been developed to ensure that the NCT has the financial resources, capacity, and capabilities to deliver on its core mandate and to be financially sustainable for the period covered by the Medium-Term Expenditure Framework (MTEF).

It incorporates practical, realistic plans to:

- ensure that the Finance Unit is strategically positioned to provide sound advice and deliver excellence in its functional services as well as its reporting;
- maintain effective governance and controls;
- enhance the reliability and accuracy of its budgeting and forecasting;
- investigate and deliver alternative ways of containing costs;
- investigate and deliver on ways of delivering increasing value for money through procurement;
- enhance its accounting and other business systems and processes to deal with the increased workload within the Finance function.

The Finance Unit's Mission is 'to optimise financial performance and good governance at the NCT by providing insightful guidance, excellent service and ensuring sound internal financial controls.'

The Finance Unit's Vision is 'to continue to be a respected Business Partner that contributes to financial sustainability and the sound reputation of the NCT.'

MEASURE OUR PERFORMANCE

ADMINISTRATION

OUTCOMES TO DELIVERY OF MANDATE

Sound financial management is an imperative in ensuring a sustainable future for the NCT. The Finance Unit's strategic goals have been formulated to ensure the effective and efficient use of financial resources:

Goal 1: To provide sound strategic financial advice and guidance.

Goal 2: To maintain effective and efficient financial processes, systems, controls, and policies.

Goal 3: To optimise the value for money received from vendors of goods and services.

Goal 4: To practice good management and corporate governance principles.

6.1. Key Finance Initiatives

In reviewing the Finance Unit's achievements during the past financial year, there are a number of successes that stand out:

- The clean audit received for 2021/22, supported by the other business units, in particular the unqualified audit on the financial statements. This is the tenth year in a row that the NCT has enjoyed a clean audit; and
- The development of a highly competent, and professional Finance team.

The Finance function within the NCT continues to evolve. There are changes and innovations that will influence this evolution, many of which are driven by national government, in particular, the National Treasury and the AGSA. These changes and innovations have included cost containment initiatives as well as compliance with regulations pertaining to supply chain management.

Ongoing efforts are being made by the Finance Unit to become more strategic and to ensure that the NCT has the financial systems, processes and disciplines required to sustain its operations. The biggest challenge and risk experienced by the Finance Unit is the NCT's inability to significantly influence its annually fluctuating caseload and the consequential impact that this has on the management of adjudication costs. The Finance Unit continues to investigate new ways of forecasting the future caseload and financial requirements, as well as ways of practically budgeting and managing costs effectively in a volatile, relatively unpredictable environment. In forecasting the future caseload for budgeting purposes, especially the income that is generated through filing fees, a more conservative approach was followed.

The ongoing caseload increase has placed significant pressure on the financial resources of the NCT as well as on the employees within the Finance Unit itself, specifically in relation to the manual reconciliation of filing fees to be recognised as income. To effectively mitigate this risk, the Finance Unit will increasingly utilise automated data capturing processes within the Case Management System to accurately manage the reconciliation of income generated through filing fees by the NCT. The current focus of the Finance Unit is on the conversion of the current accounting system to a more advanced accounting system.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

There are a number of **operational ‘pressure points’** currently experienced by the Finance function within the NCT. Many of these are to do with the way the accounting system integrates and automates its internal sub-component systems.

These include:

- The **filing fee recon** process. The main problem experienced is the matching of deposits in the bank account made in advance, with case numbers issued after the filing of a case, in instances where debt councillors file manually. In some instances, cases are issued with a case number where there is no deposit made; and
- The **allocation of expenses** between adjudication and administration and between the different cost centres is a time-consuming exercise. These expenses are currently split manually and therefore requires an unproductive investment of significant accounting resources.

The proposal to address these issues going forward is to:

- **Transition of the manual filers onto the e-purse system.** The Finance Unit will work with the Registrar’s Office and ICT Unit to migrate the debt councillors, who are currently filing manually, onto the e-purse system in order to track payments and the allocation of filing fees through the electronic system. A control system has been implemented in the meantime whereby the Registrar’s office has to confirm with the Finance Unit that the payment of the filing fee has been received before a case number is issued for cases that are filed manually.
- **Reconfiguration of the Pastel Accounting and the VIP Payroll systems.** The accounting systems will be reconfigured and setup with cost centre codes for transactions to be captured against a cost centre at the initial capturing stage. This will enable the generation of cost centre reports and the elimination of the manual splitting and reconciliation of expenses per cost centre.

These changes will have time and efficiency benefits for the Finance Unit and will enable a far faster generation of management information when the monthly management accounts are prepared as well as for year-end reporting purposes. It will also assist the HR Department with their quarterly and annually reporting on employment statistics.

In order for the Finance Unit to be successful, the active support and commitment of all employees in the NCT is required. The Finance Unit is therefore aware of the need to continuously work with the employees of the NCT to ensure that they fully understand and are able to utilise the internal financial and procurement systems. To this end, it is envisaged that refresher training workshops and coaching will be an ongoing way of life within the NCT. The ongoing monitoring of the NCT’s budget and oversight over spending by the Finance function will be critical in ensuring that the NCT is able to successfully deliver on its mandate. This, together with adherence to sound financial disciplines and savings generated by ongoing increases in efficiency, will be essential in ensuring that available funding is optimally utilised.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

6.2. Multi-year Financial Projections

The Tribunal will continue to provide the services stipulated in this annual performance plan and build administrative and adjudicative capability to enhance service delivery. The Tribunal's business operations consist of three programmes, namely, Adjudication, Administration. The key programme pertains to the Adjudication function while the function and the Administration function provide support to ensure overall organisational efficiency.

Allocations have been made to the NCT by National Treasury for the specific periods indicated in Table 11 below. According to the amounts already allocated in terms of the next MTEF period, grants were allocated for Financial Years 2021/22 to 2023/24.

6.3. Cash flow projections (Projections of revenue and expenditure)

The following table sets out the NCT's budget and cash flows over the MTEF. It is important to note that there will not be any borrowings.

Table 11: Budget and Cash flows

(R)	Actual 2018/19	Actual 2019/20	Actual 2020/21	Forecast Baseline 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Grant allocation	52 688 000	56 639 000	47 492 000	53 515 000	54 756 000	55 295 000	57 778 000	60 366 000
Roll-over funds	-	-	-	8 964 000	6 417 000	-	-	-
Filing fees and service charges	4 871 929	8 210 129	9 541 513	13 387 441	14 840 000	15 730 000	16 716 688	17 295 736
Sundry income and proceeds form insurance	-	159 269	531 165	1 642 411	350 000	-	-	-
Interest and other income	1 087 516	1 452 364	1 268 818	1 027 022	676 000	717 000	760 000	805 600
Total income	58 647 445	66 460 762	58 833 496	78 535 874	77 039 000	71 742 000	75 254 688	78 467 336
Expenditure	64 812 546	58 037 085	50 958 006	73 378 744	77 039 000	71 742 000	75 254 688	78 467 336
Compensation of employees	38 105 710	37 481 746	33 479 347	45 818 572	45 266 440	47 982 426	50 861 372	53 913 054
Goods and services	24 944 287	20 109 227	17 272 035	22 306 744	24 405 560	23 352 179	23 893 316	24 214 282
Capital expenses	1 762 549	446 112	206 624	5 253 428	7 367 000	407 395	500 000	340 000
Surplus / (Deficit)	-6 165 101	8 423 677	7 875 490	5 157 130	-	-	-	-

6.4.6.1. Projections of revenue and expenditure

The NCT, as a Schedule 3A Public Entity is dependent on grant funding from the DTIC. The grants grow from R54,7 in 2024/25 to R60,4 million.

The only other significant revenue stream is filing fee revenue. The filing fee per debt re-arrangement matter has increased from R500 in 2021/22 to R537.50 in 2022/23 and where after it will be adjusted with an inflationary increase.

Based on the current data available, it is anticipated that over the medium term, at least 28 000 Debt Rearrangement matters (DRA's) and 250 Non-Debt Rearrangement matters (Non-DRA's) will be filed annually. The anticipated revenue to be generated from filling fees will increase from R14.8 million in 2022/23 to R16,6 million in 2024/25.

The revenue generated by the Tribunal in the form of filing fees is nominal and constitutes approximately 21 per cent of the total anticipated income per annum. The Tribunal is, therefore, sustained and dependent on funding from Government.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

Zero-based Budgeting

NCT has a very lean budget due to grant income being paid back in the previous periods. NCT only incurs the necessary costs that enable it to carry out its mandate. The Zero-based budgeting principle was applied, however, there were no expense streams that were omitted during this exercise.

Spending reviews efficiency gains

One of the milestones achieved during the period of review was the innovation brought about by a Tribunal Member in the expeditious adjudication of the DRA cases from 40 matters per day per Tribunal member to 80 cases per day per Tribunal member. This resulted in significant strides in efficiencies and finalising matters quicker than the required turn-around times.

Interest income (from investing surplus funds) has been maintained at the prevailing current interest rates.

Due to the Tribunal being a professional organisation and the labour-intensive nature of the Tribunal's work, the spending on compensation of employees constitutes more than 64% of the annual budget.

Capital expenses have been budgeted for the maintenance of systems and hardware and the implementation of identified ICT projects. The spending in this area will assist the NCT in containing adjudication costs through anticipated ICT enhancements to the Case Management System, increased efficiencies and the implementation of cost-saving measures, resulting in reduced costs for Goods and Services over the MTEF period.

This budget does not include the implementation of the NCAA. This will only commence once the regulations on the NCAA have been published. The NCT will have to capacitate itself (appointment of additional staff & tribunal members) when these regulations are published & there will be an increase in Information Technology Costs and IT Capital Expenditure. An estimated budget of R 40 million will be required to implement the National Credit Amendment Act provisions.

6.5.Capital expenditure projects

Most of the capital expenditure relates to the procurement of ICT assets aligned with the ICT strategy. Included here are not only the system design but also the acquisition of the necessary hardware.

6.6.Infrastructure plans

The National Consumer Tribunal is not engaged in infrastructure projects. For this reason, it does not develop infrastructure plans.

6.7.Dividend policies

The NCT is a Schedule 3A public entity with no share capital. Therefore, it does not declare dividends. Accordingly, it does not require a dividend policy.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

6.8. Materiality and significance framework

The NCT uses 0.60% of budgeted operational expenditure (which excludes capital expenditure) for the materiality and significance framework, and the basis is consistent with prior years. The implications, based on the estimated budget, are summarised as follows:

Table 13: Materiality implications on an estimated budget

Item	% Used	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Budget excl CAPEX		R63 049 997	R57 590 973	R50 751 382	R66 247 345	R69 672 000	R73 800 000	R77 600 000
Materiality	0,60%	R378 300	R345 546	R304 508	R397 484	R418 032	R442 800	R465 600

2. Assets and Liability Management Plan

The NCT, as a Schedule 3A Public Entity under the PFMA, is required to operate based on neither budgeting for a surplus nor a loss. The NCT's most significant asset at any given time is cash and cash equivalents. The annual grant allocation to the NCT gets paid by the DTIC. When a grant payment is received, it gets invested in the Corporation for Public Deposits account at the South African Reserve Bank. Funds are then withdrawn monthly to fund the day-to-day business operations of the NCT.

Detailed cash forecasts for the following two months are submitted to the Accounting Authority every month as part of management accounts, thereby indicating the short-term cash requirements of the NCT. Monies are then transferred to the current account as and when there is a need, according to the approved cash flow forecast. This ensures that the NCT does not carry any excess funds in the current account and that interest income is maximised. Another significant asset class is property, plant and equipment. These assets are entered into a fixed asset register that complies with the requirements of the prescribed Generally Recognised Accounting Practice (GRAP) reporting standards. The asset register is reconciled with the general ledger monthly, and asset counts are done monthly on a spot-check basis, while a complete asset count is conducted twice a year.

The most significant liability item is the trade and other payables. These include the amounts due to suppliers of goods and services, fees payable to part-time Tribunal members where payments are still to be made and leave balances due to employees at year-end. The NCT makes payments to suppliers and part-time Tribunal members at least twice a month based on valid and approved invoices or claims. Creditors' accounts are reconciled monthly with the age analysis and the general ledger. The NCT strives to pay all its undisputed invoices received from suppliers within 30 days, measured from the date of receipt of the invoice. The NCT has adopted a value-for-money procurement strategy closely managed through the supply chain processes. This ensures that suppliers are only paid for services provided when the NCT is satisfied that it received value-for-money service. No other significant liability items are noted at the NCT.

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

2.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

2.2.1 (A) FINANCIAL MANAGEMENT AND CONTROLS

PROGRAMME 1 - PERFORMANCE MEASURES - FINANCE

Joint Indicator s	Joint Indicator s (Key Area)	Outcomes	Outputs	Output Indicators	Annual Targets						
					Audited Performance			Est. Perf.	MTEF Period		
					2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
N/A	N/A	Financial Sustainability and improved cash flow management	Optimal use of financial resources	% of trade debtors over filing fee revenue	New indicator	New indicator	New indicator	Trade debtors to be 1.5 % or less of filing fee revenue	Trade debtors to be 1% or less of filing fee revenue	Trade debtors to be 0.5 % or less of filing fee revenue	

3.0 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

3.2 Administration - Programme 2 - Financial Management and Controls

PROGRAMME 1

OUTPUT AND TARGET

Output Indicators					
	Annual Target	Q1	Q2	Q3	Q4
% of trade debtors over filing fee revenue	TD 1%	1%	1%	1%	1%

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

How the chosen outcomes link to the institutional mandate

1.2.1 (b) Corporate Services

In an ever changing and volatile environment- gritt, agility, flexibility and adaptability are critical skills for any organisation to ensure that it successfully delivers and achieves its mandate. The NCT is no different!

Corporate Services a key and critical business partner within the NCT, executing the leading role in supporting the NCT in achieving its mandate. A multifunctional unit comprising of the critical sub-functions:

- Human Resources and Facilities Management.
- Communications and
- Risk Management;
- Internal Audit;
- Compliance and Secretariat

which is the red thread that runs through the NCT.

HUMAN RESOURCES AND FACILITIES MANAGEMENT

Without agile and adaptable employees with grit in an environment where change is normal- there are bound to be huge challenges. HR's focus will be to ensure that the NCT not only improves on its systems and leadership but will ensure that the NCT is adequately skilled and manned with high performing, critical and key talent. The NCT is committed to continuous learning in order to ensure that its employees are abreast and adapting and keeping ahead of the changes in the workplace, be it soft or technical skills through its Talent management system.

COMMUNICATIONS

In ensuring that we continuously improve on and build trust and credibility of the NCT, our Communications sub-unit will focus on enhancing effective and efficient communication at all levels, with both internal and external stakeholders. As a participant in the global economy focus will be given to building international collaboration and development of African and surrounding countries credit regulation frameworks. Further, a focused plan will be implemented to develop the NCT marketing and stakeholder engagement both locally and internationally.



**"THE CS UNIT IS ALSO ENSURING THAT WE
CONTINUOUSLY IMPROVE ON AND BUILD TRUST
AND CREDIBILITY BY ENSURING APPROPRIATE
COMMUNICATION"**

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

RISK MANAGEMENT; INTERNAL AUDIT; COMPLIANCE AND SECRETARIAT

As an adjudicative body it is imperative that the NCT maintains a compliant organisation not just legislatively but in terms of governance, internal and external audits. This is supported through a diligent secretariat function with appropriate levels of record keeping. It is through the effective management of its internal audit and compliance standards that the NCT continues proactively identify and mitigate/eliminate its risks which ultimately cascades into the NCT maintaining its track record of clean audits.



Corporate Services is also responsible to ensure that the NCT delivers on its key joint indicators of transformation and building a capable state. This is achieved through its concerted efforts in youth development and its various initiatives through its BBEE implementation plan.

The NCT also intends to be the first entity to collaborate with the DTIC on its shared services model.

Please see additional registers and plans in the Annexures at the end of this report. This include;

- The Fraud Prevention Plan
- The Risk Register and
- The Risk Management Plan

PART C

MEASURE OUR PERFORMANCE

PROGRAMME 2 - PERFORMANCE MEASURES - CORPORATE SERVICE							Annual Targets				
Joint Indicators	Joint Indicators (Key Area)	Outcomes	Outputs	Output Indicators	Audited Performance			Est. Perf.	MTEF Period		
					2019/ 2020	2020/ 2021	2021/ 2022		2023/ 2024	2024/ 2025	2025/ 2026
Delivery / Capable State (Joint KPI 3)	Building the entity staffing and governance capacity and quick response	Reliable, secure, and sustainable asset utilisation	Talented people available to execute on NCT strategy & mandate across the NCT organisation in structure	% of filled positions in approved organisation structure.	93.83 %	89.56 %	85 %	90 %	90 %	93 %	
Transformation (Joint KPI 2)	BEE promotion and review (black industrialists, women and youth)		Youth with employable skills & knowledge	Number of interns Employed through structured opportunities created for youth	7	7	8	6	8	8	
Transformation (Joint KPI 2)	Integrated Delivery: entities to identify and implement measures to integrate their work with that of other public institutions in the 52 districts (Key performance area 6)	A readily accessible NCT that shares information and co-operates with stakeholders	Co-operation & information sharing on permissible matters	Number of structured interactions and engagements with external stakeholders including events	27	41	29	20	20	20	

MEASURE OUR PERFORMANCE

ADMINISTRATION

OUTCOMES TO DELIVERY OF MANDATE

3.0 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

3.3 Administration - Programme 2 - Corporate Service

PROGRAMME 2 OUTPUT AND TARGET					
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of filled positions in approved organisation structure with right skills.	90%	90%	90%	90%	90%
Number of interns Employed through structured opportunities created for youth (Year Target)	8	This is a annualised target - year end			
Number of structured interactions and engagements with external stakeholders including events, structured meetings & joint forums at which presentations were made	20	5	5	5	5

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE



How the chosen outcomes link to the institutional mandate

1.2.1 (d) Information and Communications Technology Support

Efficiency and effectiveness in enabling NCT stakeholder processes and information management.

The NCT's mandate is to hear and decide on cases involving consumers, suppliers of goods and services, credit providers, regulators, debt counsellors, credit bureaux, payment distribution intermediaries as well as alternative dispute resolution agents. In so doing, the Tribunal hears applications and cases that are premised upon the terms outlined within the NCA, CPA and the Rules of the Tribunal.

Information and Communications Technology (ICT) has become a key enabler to assist the entity in developing and executing the necessary administrative processes efficiently and effectively to achieve the above mandate.

Key areas that rely on ICT to support the NCT mandate include.

- Adjudication.
- Case Management.
- Finance and Human resources.
- Security of information and data
- Compliance
- Communications and Accessibility.

**"INFORMATION AND COMMUNICATIONS
TECHNOLOGY (ICT) HAS BECOME A KEY ENABLER TO
ASSIST THE ENTITY IN DEVELOPING AND EXECUTING
THE NECESSARY ADMINISTRATIVE PROCESSES
EFFICIENTLY AND EFFECTIVELY"**

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

For this next period there are 5 ICT sub-programmes that link to the NCT mandate. An afore mentioned outcome below is an explanation of each and the linkage.

1. Ensuring that the availability of systems to users equals or exceeds the 98% threshold during business hours. Without the key systems such as Adjudication, Case Management, E-filing, Finance, HR it is then impossible for both internal staff and external users to transact with the organisation.
2. Implementation of an independent cybersecurity audit is key to ensuring that on an ongoing basis we always ensure that our data, systems and network infrastructure are protected from the ever-increasing and ongoing threat of cyber-attacks which would severely compromise the organisation as over 90% of the entities' information and data is held electronically.
3. The securing of electronically generated debt rearrangement orders by incorporating digital signatures is paramount to ensuring that when the filing party receives their order the signed document is full proof in that the signature cannot be tampered with to the detriment of NCTs adjudicative mandate and reputation.
4. The automation of the registry function in terms of the preparation and issuing of hearing files will significantly increase the ability to track the processing of these files, whilst reducing costs and efforts of file preparation for targeted filing parties.
5. The introduction of an integrated Finance and Human Resource system will eliminate the manual interfaces between HR and Finance in respect of data exchange and provide for comprehensive audit trails and better controls in terms of the relevant processes and data. Furthermore, it will ensure we have a fully supported system from the vendor perspective which currently is not the case with our legacy systems.



MEASURE OUR PERFORMANCE

ADMINISTRATION

OUTCOMES TO DELIVERY OF MANDATE

PROGRAMME 2 - PERFORMANCE MEASURES - ICT					Annual Targets						
Joint Indicators	Joint Indicators (Key Area)	Outcomes	Outputs	Output Indicators	Audited Performance			Est. Perf.	MTEF Period		
					2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
Industrialisation (Joint KPI 1)	Promoting the green economy and fostering higher levels of investment	Efficiency and effectiveness in enabling NCT stakeholder processes and information management.	Stable and Secure ICT enterprise enabling NCT business processes through automation.	% systems availability during business hours	98%	98%	98%	98%	98%	98%	
				Number of designated security assessment interventions implemented	1 external and 1 internal penetration test completed and project action plan developed to address findings.	1 external and 1 internal penetration test completed and project action plan developed to address findings.	1 external and 1 internal penetration test completed and project action plan developed to address findings.	1 external and 1 internal penetration test completed and project action plan developed to address findings.	1 external and 1 internal penetration test completed and project action plan developed to address findings.	1 external and 1 internal penetration test completed and project action plan developed to address findings.	
				Implementation of digital signatures on issued Debt Rearrangement orders	N/A	N/A	N/A	N/A	100% system Implemented and in production.	100% of electronic DRA orders issued with encrypted signatures.	
				Develop/Deploy an electronic hearings file prep. review and dispatch system for external parties.	N/A	N/A	N/A	100% system implemented and in production.	90% of hearing files issued electronically to external parties.		
				Fully automated and integrated Finance and Human Resource process and data management system.	Unsupported and semi automated legacy sage VIP and Pastel system	Unsupported and semi automated legacy sage VIP and Pastel system	Unsupported and semi automated legacy sage VIP and Pastel system	100% system implemented and in production.	100% enablement of finance and HR processes/inte rfaces on the system.		

MEASURE OUR PERFORMANCE ADMINISTRATION OUTCOMES TO DELIVERY OF MANDATE

3.0 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

3.3 Administration - Programme 2 - ICT

PROGRAMME 2 OUTPUT AND TARGET

Output Indicators					
	Annual Target	Q1	Q2	Q3	Q4
% systems availability during business hours	98%	98%	98%	98%	98%
Number of designated security assessment interventions implemented	Cyber Security assessment completed.	N/A	N/A	1	N/A
Implementation of digital signatures on issued Debt Rearrangement orders	System 100% implemented and in production	Business requirements and Technical specifications signed off.	Systems development and Testing completed and signed off by CIO	Pilot and user acceptance testing implemented and signed off.	System go live and deployed into production.
Develop/Deploy an electronic hearings file prep, review and dispatch system for external parties.	System 100% implemented and in production	Business requirements and Technical specifications signed off	N/A	Systems development and Testing completed and signed off by CIO	System go live and deployed into production.
Acquisition and deployment of an integrated Finance and Human Resource process and data and management system.	System 100% implemented and in production	Tender/RFQ evaluation process complete system provider appointed	N/A	N/A	System go live and deployed into production.

KEY RISKS

6.0 UPDATED KEY RISKS AND MITIGATION FROM THE SP

Outcomes	Key Risks	Mitigation
Consistent jurisprudence in consumer and credit matters	Inadequate capability to deliver on NCT mandate – as a result of fluctuation of cases beyond the NCT's control	<ul style="list-style-type: none"> Increased oversight and quality assurance Case support to Tribunal Members Intelligent automation; TM reviews.
Honouring financial obligations	Reduced Funding – due to cuts in government funding/deduction of grants by dtic after approval and payment.	<ul style="list-style-type: none"> Timeous revisions to budgets and monitoring of expenses. Monthly management accounts and cashflow discussions
Data security and continuity of systems	Lack of systems continuity in the event of a corruption of files and/or Data theft/integrity/failure of NCT ICT systems - as a result of malware/ransomware / external intrusion	<ul style="list-style-type: none"> Conduct regular penetration tests & vulnerability assessments Use decoy 'honeypot' database
A high-performing and sustainable organisation	Lack of structured succession planning process	<ul style="list-style-type: none"> Succession Planning Policy Skills transfer intervention Draft mentoring and coaching policy
	Loss of highly skilled personnel (scarce and critical skills)	<ul style="list-style-type: none"> Retention policy Revise Remuneration Policy Formal and informal training Competency framework



PART D

TECHNICAL INDICATORS

PART D

TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.1	Average number of days from date of filing of DRA to date of issuing order to filing parties.
Definition	Indicator measures the average number of days turnaround from the date of filing of a DRA to the communication of the outcome thereof to the parties.
Source of data	<p>The case spreadsheet, case files and the case management system.</p> <p>Each DRA filed by hand, by fax, by personal delivery, by email or by system filing, reflects a date stamp either physically or digitally imprinted. The stamps indicate date of receipt of the application and the date of issuing of the order. These dates on system filed matters are contained within the case management system itself.</p> <p>The system will automatically calculate the number of business days from date of filing to date of issuing of the decision to parties. A system's report will be generated setting out the number of days.</p>
Method of calculation or assessment	<p>Calculation of Baseline: The baseline is calculated based on the estimated turnaround for each application received from 1 April up to and including 31 December, utilising the calculation method below.</p> <p>Calculation of Performance Score: The turnaround for each application received is calculated from the date of filing to the date of issuing of order to the filing parties.</p> <p>An average number of days are calculated for all DRA cases finalised during a quarter. The calculation is arrived at by taking the total number of days from the date of filing of a DRA application until the outcome or order is issued to the parties divided by the total number of DRA applications orders were issued for. This average number of days is reported in the quarterly report and reported as an annual figure at the end of the financial year. The calculation is based on business days – it excludes weekends, public holidays and the period during which the Tribunal is officially closed.</p>
Means of verification	Report generated by Case Management System

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Assumptions	On date of filing, all the required information in terms of the Rules of the Tribunal has been provided.
Calculation type	Cumulative (yearend)
Reporting cycle	Quarterly – consolidated annually
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	Not Applicable
Desired performance	Performance below target of 55 days is targeted
Indicator responsibility	Registrar

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.2	Average number of days from date of close of pleadings of non-DRA's to date of issuing notice of set down to filing parties.
Definition	Indicator measures the average number of days turnaround from close of pleadings to the issuance of a notice of set down of a non- DRA to the parties.
Source of data	<p>The case spreadsheet and the case files. Case File contains a Confirmation of the date of close of pleadings, which is signed off on by the Registrar. This information is collated on a case spreadsheet which electronically calculates the number of business days from date of close of pleadings to the date of issuing of the initial notice of set down to parties.</p> <p>Pleadings in non-DRA cases are regarded as closed upon lapsing of a period of 15 business days from the date on which an application (a filing which meets all filing requirements in terms of the Rules) is received from an Applicant. In the event that an answering affidavit is received on a non-DRA case file within the 15-business day period, the pleadings are regarded as closed upon lapsing of a period of 10 business days from the date on which such answering affidavit has been filed. If a subsequent replying affidavit is received on a non-DRA case file within the stipulated 10 business day period, the pleadings are regarded as closed on the day of receipt of such replying affidavit.</p> <p>The pleadings of a non-DRA case, subsequent to a condoned late filing of an answering affidavit, are regarded as closed upon lapsing of a period of 10 business days from the date on which such condonation was granted.</p> <p>The pleadings of a non-DRA case, subsequent to a condoned late filing of a replying affidavit, are regarded as closed on the day of the granting of condonation of such late filing.</p> <p>The specific close of pleadings date of a non-DRA case will be reflected on the confirmation of date of close of pleadings on the case file.</p>

PART D

TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Method of calculation or assessment	<p>Calculation of Baseline: The baseline is calculated based on the estimated turnaround for each application received from 1 April up to and including 31 December, utilising the calculation method below.</p> <p>Calculation of Performance Score: The turnaround for each application received is calculated from the date of the first close of pleadings to the date of issuance of the notice of set down to the parties. An average number of days are calculated for all non-DRA cases where the notice of set down was issued during a quarter. The calculation is arrived at by taking the total number of days from the confirmation of the first close of pleadings of an application until the date of the issuing of the notice of set down to the parties, divided by the total number of non-DRA cases set down for hearing. This average number of days is reported in the quarterly report and also reported as an annual figure at the end of the financial year.</p> <p>The calculation is based on business days – it excludes weekends, public holidays, and the period during which the Tribunal is officially closed.</p>
Means of verification	Registrar and source documents
Assumptions	The full complement of Tribunal members is available for the Hearing
Calculation type	Cumulative (yearend)
Reporting cycle	Quarterly – consolidated annually
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	Not Applicable
Desired Perf.	Performance below target of 15 days is targeted
Indicator Resp.	Registrar

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.3	Average number of days from date of final adjudication of non-DRA to date of issuing judgment to filing parties
Definition	<p>Non-debt re-arrangement matters are defined as an application brought to the Tribunal under the CPA or NCA, excluding the application brought in terms of Section 138 of the NCA. Indicator measures the average number of days taken for a judgment to be issued regarding the outcome of a non-debt re-arrangement matter to the relative parties involved from the last date of adjudication.</p>
Source of data	<p>Once adjudication has been complete, an e-mail/fax confirmation validates the date that the judgment was issued to the parties. This information is collated on a case spreadsheet which electronically calculates the number of business days from the last date of adjudication to the date of issuing the judgment. This information will be filed and stored on the case files. Judgment refers to a decision and reasons in matters, except for an application for a debt re-arrangement agreement being made an order of the Tribunal.</p>
Method of calculation or assessment	<p>Calculation of Baseline: The baseline is calculated based on the estimated turnaround for each application received from 1st April up to and including 31 December annually, utilising the calculation method below.</p> <p>Calculation of Performance Score: Calculate the total number of days from the last date of the adjudication to the date that the judgment was issued to the parties. The calculation is based on business days (5 working days a week) and excludes weekends, public holidays and the period during which the Tribunal closes for business annually.</p>

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Means of verification	Registrar and source documents
Assumptions	The Tribunal members have reached consensus on the appropriate Judgement of the matter at the final hearing
Calculation type	Cumulative (yearend)
Reporting cycle	Quarterly – consolidated annually
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	Not Applicable
Desired Perf.	Performance below target of 20 days is targeted
Indicator Resp.	Registrar

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.4	Number of cases overturned on review in the Supreme Court of Appeal
Definition	Rulings made by the Tribunal which were brought to the Supreme Court of Appeal for Review
Source of data	Tribunal Rulings/Judgements lodged in the Supreme Court on review
Method of calculation or assessment	Number of Tribunal Judgements overturned on review at the Supreme Court
Means of verification	Judgements issued by the Supreme Court.
Assumptions	Tribunal members provided Judgements based on informed decisions
Calculation type	Cumulative (yearend)
Reporting cycle	Quarterly – consolidated annually
Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	Not Applicable
Desired Perf.	Zero cases overturned on review at Supreme Court.
Indicator Resp.	Registrar

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.5	% of filled positions in approved organisation structure.
Definition	Indicator measures the percentage of positions filled on the approved organisational structure.
Source of data	Appointments letters and payroll will indicate whether a position is filled or not as well as appointment letters. Payroll files and personnel files will be the sources of evidence.
Method of calculation or assessment	<p>Number of months that a post is filled on the organisational structure divided by the total number of months for all posts on the approved organisational structure as a percentage.</p> <p>The calculation will exclude positions that may be placed on hold due to budgetary or organisation constraints as approved by the Executive Chairperson. Should an incumbent commence on a date other than the first day of a month, the pro-rated portion of the month will be calculated by multiplying the number of workdays by 21.67 dividing by 100 to obtain a fraction of a number, being the portion of the month filled.</p>
Means of verification	Internal independent verification of payroll data
Assumptions	Budget / funding is available to fill positions.
Calculation type	Cumulative (yearend)
Reporting cycle	Quarterly – consolidated annually

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Disaggregation of beneficiaries (where applicable)	Not Applicable
Spatial transformation (where applicable)	Not Applicable
Desired Perf.	Performance higher than targeted performance of 90% is desired with positions being filled within 4 months of vacancy date. The ideal would be an annual target of between 95% and 98% but due to the size of the organisation, the movement of 1-2 persons have a huge impact on the percentage positions filled on the organisational structure which renders it not attainable.
Indicator Resp.	Corporate Services Executive

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.6	Number of interns employed through structured opportunities created for youth development.
Definition	The measure shows the extent to which the NCT specifically initiates formal employment and developmental opportunities through the provision of internships, to the benefit of the youth in South Africa.
Source of data	These are interns in the NCT internship programme. Appointment letters of interns that are employed will be the source of evidence.
Method of calculation or assessment	Count the number of interns employed in terms of structured internship opportunities created.
Means of verification	Internal independent verification of payroll records & employment contracts of interns
Assumptions	Availability of budget
Calculation type	Cumulative (year to date)
Reporting cycle	Annual
Disaggregation of beneficiaries	Target for Youth
Spatial transformation	Not Applicable
Desired Perf.	7
Indicator Resp.	Corporate Services Executive

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.7	% of trade debtors over filing fee revenue collected
Definition	To ensure all revenue due to the NCT is collected in a timely manner
Source of data	The filling fees reconciliation and the trade debtors listing and general ledger
Method of calculation or assessment	Trade debtors / Filing Fee revenue
Means of verification	Quarterly management accounts and audited annual financial statements
Assumptions	All manual filings cases are confirmed with the finance unit before a case number is issued. This will ensure that trade debtors are kept to a minimal.
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	Trade debtors to be 1.0% or less of filing fee revenue – 2023/2024 Trade debtors to be 0.5% or less of filing fee revenue – 2024/2025
Indicator Resp.	Chief Financial Officer

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.8	% systems availability during business hours
Definition	The measure shows the uptimeavailability for the following critical business applications for the NCT. 1) Case Management System 2) Exchange mail system 3) Sage Pastel System 4) VIP HR system 5) Virtual Private Network services 6) VIP ESS 7) Exclaim 8) E-service desk incident management system 9) SharePoint.
Source of data	Data will be collected from the business and internal systems reporting to measure systems uptime and availability during business hours.
Method of calculation or assessment	<p>Calculation of Baseline: The baseline can be calculated as 98%.</p> <p>Calculation of Performance Score: In relation to the 2022/23 Financial year, the systems should perform to a minimum baseline of 98%. Systems downtime will be recorded and assessed on all relevant critical business applications by both stakeholder perceptions and in-built systems reports.</p>
Means of verification	Systems generated uptime reports
Assumptions	No catastrophic events outside of the NCT's direct control
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly – consolidated annually
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	Systems uptime more than 98% inside of business hours.
Indicator Resp.	Chief Information Officer.

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.9	Number of designated security assessment interventions implemented.
Definition	The measure indicates whether the NCT ICT system has been rigorously and robustly tested to identify any potential vulnerabilities that may exist. External penetration tests are carried out on an annual basis to identify potential vulnerabilities in the system.
Source of data	Two external penetration tests will be scheduled, carried out and the results assessed.
Method of calculation or assessment	Calculation of Baseline: The baseline can be calculated as two tests per year. Calculation of Performance Score: Performance will be calculated based on whether the external and internal penetration tests occurred and whether or not the results were fully assessed and note taken of any vulnerabilities detected.
Means of verification	External security assessment reports
Assumptions	Penetration testing will be sufficient to highlight potential vulnerabilities. Sufficient budget is available to perform penetration tests
Calculation type	Cumulative (year-end)
Reporting cycle	Annual
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	Two external penetration tests performed per annum.
Indicator Resp.	Chief Information Officer.

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.10	Implementation of digital signatures on issued Debt Rearrangement orders
Definition	Indicator measures the successful implementation of the inclusion of digital signatures into the generated/issued Debt Rearrangement Orders (DRA) after the Tribunal members adjudicating on these Online.
Source of data	Source of data will be the Technical design documentation for the digital signatures component, the successful and signed off integration testing of the system by the CIO, as well as the successful and signed off user acceptance testing of the system by the DRA oversight Tribunal member.
Method of calculation or assessment	Signed off successful pilot run with a sample of Debt Counsellors showing DRA orders incorporated digital signature of the Tribunal Member who adjudicated and issued the order online.
Means of verification	Signed off User acceptance testing specification by the DRA oversight Tribunal Member. Signed off release documentation by the CIO verifying system has been successfully deployed into production.
Assumptions	An effective system acquired that can be integrated into the current CMS system for digital signatures.
Calculation type	Cumulative (year - date)
Reporting cycle	Quarterly
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	100% of system implemented.
Indicator Resp.	Chief Financial Officer

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.11	Develop/Deploy an electronic hearings file prep, review and dispatch system for external parties.
Definition	Indicator measures the successful implementation of a system to allow the registrar to electronically prepare and issue hearing and prehearing to Tribunal members for non-Debt Rearrangement Cases (nonDRAs)
Source of data	Source of data will be the Technical design documentation for electronic file preparation system, the successful and signed off integration testing of the system by the CIO, as well as the successful and signed off user acceptance testing of the system by the Registrar and oversight Tribunal Member.
Method of calculation or assessment	Signed off successful user acceptance test and pilot run with the Registrar's office and oversight Tribunal Member for nonDRAs
Means of verification	Signed off User acceptance testing specification by the Registrar and the nonDRA oversight Tribunal Member. Signed off release documentation by the CIO verifying system has been successfully deployed into production.
Assumptions	An effective system developed for the electronic preparation and issuing of nonDRA files for Tribunal Member hearings.
Calculation type	Cumulative (year - date)
Reporting cycle	Quarterly
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	100% of system implemented.
Indicator Resp.	Chief Financial Officer

PART D TECHNICAL INDICATORS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title No.12	Acquisition and deployment of an integrated Finance and Human Resource process and data and management
Definition	Indicator measures the successful acquisition and implementation of a system to allow Finance and Human Resources to transact and exchange information electronically thus maintaining data integrity and with no manual interventions.
Source of data	Source of data will be the acquisition of the software licenses for this system
Method of calculation or assessment	Signed off successful user acceptance test and pilot run with the Finance and HR functions.
Means of verification	Signed off user acceptance testing specification by the business unit heads of HR and Finance.
Assumptions	An effective system acquired to fully automate data exchange between finance and HR where necessary
Calculation type	Cumulative (year - date)
Reporting cycle	Quarterly
Disaggregation of beneficiaries	Not Applicable
Spatial transformation	Not Applicable
Desired Perf.	100% of system implemented.
Indicator Resp.	Chief Financial Officer

A grayscale photograph of a hand in a business suit giving a thumbs up gesture. The hand is positioned over a desk. In the background, there is a pen holder with several pens, a small potted plant, and a calculator. In the foreground, there are financial documents with charts and graphs. A large red diagonal shape is in the top right corner, and a large gold diagonal shape is in the bottom left corner.

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

FRAUD PREVENTION PLAN

FRAUD PREVENTION PLAN

1. PURPOSE

- 1.1 The purpose of this Fraud Prevention Plan is to set out the approach to dealing with fraud risks at the National Consumer Tribunal ("the Tribunal") and to elaborate on specific initiatives to prevent fraud risks.

2. INTRODUCTION AND BACKGROUND

- 2.1 The vision of the Tribunal is "to be an impartial, professional and easily accessible adjudicative Tribunal, contributing to sound commercial relationships based on certainty, trust and justice between consumers and providers of goods, services and credit".

- 2.2 To give effect to its vision, the Tribunal seeks to be a compliant, corruption and fraud free entity that is committed to ensuring good governance in all its operations. This Fraud Prevention Plan is prepared to effectively manage the fraud risks to which the Tribunal is or can be exposed to. The primary objectives of the Plan are to:

- 2.1.1 Provide guidelines in preventing, detecting and reporting fraudulent activities within the Tribunal;
- 2.1.2 Create a culture within the Tribunal where all employees and stakeholders continuously behave ethically in their dealings with or on behalf of the Tribunal;
- 2.1.3 Encourage all employees and stakeholders to strive towards the prevention and detection of fraud impacting or having the potential to impact on the Tribunal;

FRAUD PREVENTION PLAN

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FRAUD PREVENTION PLAN

- 2.1.4 Encourage all employees and stakeholders to report suspicions of fraudulent activity without fear of reprisals or recriminations; and
- 2.1.5 Provide a focus point of the allocation of accountability and authority.
- 2.3 The Plan is dynamic, and it will continuously evolve as the Tribunal makes changes and improvements in its drive to promote ethics and prevent fraud.
- 2.4 In developing the Plan, several business risks, including fraud and corruption risks, which were identified as part of a risk assessment exercise conducted during the Strategic Planning sessions, were considered.
- 2.5 The risks of fraud addressed in this document should not be relied upon as the full spectrum of the risks facing the Tribunal, but rather as an indication of the type of risks, bearing in mind the transformation of the risks of fraud resulting from constant technological enhancements and changing business processes.

3 THE MAIN PRINCIPLES OF THE PLAN

- 3.1 The following reflects the main principles which forms the basis of the Plan:
 - 3.1.1 Developing and maintaining a culture which is intolerant to fraud;
 - 3.1.2 Deterrence of fraud;
 - 3.1.3 Preventing fraud which cannot be deterred;
 - 3.1.4 Detection of fraud;
 - 3.1.5 Investigating detected fraud;
 - 3.1.6 Taking appropriate action against fraudsters, e.g., disciplinary action, prosecution, etc;
 - 3.1.7 Applying sanctions, which include redress in respect of financial losses; and
 - 3.1.8 Pledge respect for the civil rights of all citizens, including the employees of the Tribunal.

FRAUD PREVENTION PLAN

- 3.2 The objectives of the Plan as set out below, are in line with and complement a principle-oriented ethos and strategic direction as articulated in the PFMA.
- 3.3 The objectives of the Plan can be summarized as follows:
 - 3.3.1 Improving accountability, efficiency and effective administration within the Tribunal;
 - 3.3.2 Continuously supporting a culture within the Tribunal where all employees and other stakeholders continuously behave ethically in their dealings with, or on behalf of the Tribunal;
 - 3.3.3 Improving the application of systems, policies, procedures and regulations;
 - 3.3.4 Improving relevant aspects of the Tribunal to facilitate the reporting and monitoring of incidents of fraud; and
 - 3.3.5 Encouraging all employees and other stakeholders to strive for the deterrence, prevention, detection and reporting of fraud impacting, or having the potential to impact on the Tribunal.
- 3.4 The above objectives are not intended to detract from the premise that all the components are equally essential for the successful realization of the Plan. The Plan is structured to address the prevention, detection and reporting and investigation of fraudulent activities.
- 3.4 The following represents the components of the Plan for the Tribunal:
 - 3.4.1 A Code of Ethics in which Management of the Tribunal believes and requires their employees to subscribe;
 - 3.4.2 The Tribunal's systems, policies, procedures (SOPS), rules and regulations;
 - 3.4.3 The Disciplinary Code and Procedures;
 - 3.4.4 Internal Controls to prevent and detect fraud;
 - 3.4.5 Physical and information security management;
 - 3.4.6 Internal Audit;
 - 3.4.7 Ongoing risk assessment, which includes fraud susceptibility assessment and detection approaches;
 - 3.4.8 Reporting and monitoring of allegations;
 - 3.4.9 Fraud Policy which includes the policy stance of the Tribunal to fraud;
 - 3.4.10 A Whistle Blowing Policy in order to strive to create a culture which will facilitate the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner and to limit the risk of non-compliance with provisions of the Protected Disclosures Act;

FRAUD PREVENTION PLAN

- 3.4.11 Creation of awareness amongst employees and other stakeholders through communication and education relating to specific components of the Plan; and
- 3.4.12 Ongoing maintenance and review of the Plan to ensure effective implementation and reporting.

4 PREVENTING FRAUD

4.1 CODE OF ETHICS

- 4.1.1 A code of Ethics (NCT's Code of Conduct) was developed. The code is intended to set down clear guidelines relating to the Tribunal's expectations of the highest ethical standards of business conduct and integrity by its employees and other stakeholders.
- 4.1.2 The Code is applicable to all employees of the Tribunal.
- 4.1.3 The Tribunal expects all people and organisations that are in any way associated with it to be honest and fair in their dealings with the Tribunal.
- 4.1.4 To ensure compliance by employees of the Tribunal with the Code, both in its spirit and content, the Tribunal will pursue the following tactics to improve professional ethics and conduct of its employees:
 - 4.1.4.1 All employees will be required to sign a declaration annually, serving as an indication of their understanding of commitment and compliance with the Code; and
 - 4.1.4.2 Relevant aspects of the Code will be included in awareness presentations, training sessions and communication programmes to create awareness thereof amongst employees and other stakeholders. Objectives of this training will be to assist employees to understand the meaning of fraudulent and corrupt behaviour and to communicate the implications of unethical behaviour and its impact for individuals, the workplace, professional relationships, to the Tribunal as a whole and external stakeholder including the public.

FRAUD PREVENTION PLAN

4.2 TRIBUNAL'S SYSTEMS, POLICIES, PROCEDURES, RULES AND REGULATIONS

4.2.1 The Tribunal has several systems, policies, procedures, rules and regulations designed to ensure compliance with prevailing legislation and to limit risk, including the risk of fraud. Fundamentally, all employees of the Tribunal should understand and must comply with these.

4.2.2 The following are some of the relevant policies, procedures, rules and regulations:

- 4.2.2.1.1 The Public Finance Management Act, No 1 of 1999;
- 4.2.2.1.2 The Treasury Regulations;
- 4.2.2.1.3 Employment Equity Act, No 55 of 1998;
- 4.2.2.1.4 NCT policies; and
- 4.2.2.1.5 NCT Business Unit Plans and SOPS.

4.2.3 The Tribunal recognizes that its employees are often best placed to identify "loopholes" or weaknesses in systems and procedures. The Tribunal is there for committed to undertake the following actions to mitigate this:

4.2.3.1 A clearly defined communication and training strategy will be developed to create awareness of existing and new policies and procedures in order to ensure that all employees are made aware of, and adequately trained in the implementation of policies and procedures relevant to their employment, duties and responsibilities. This system will include provisions for all employees to acknowledge, in writing, annually, that they have read the policies and procedures applicable to their duties, have undergone relevant training and/or are aware of these policies and procedures. Adequate records serving as proof that employees have been made aware of the policies and procedures applicable to the Tribunal and relevant to their duties will be kept;

4.2.3.2 Internal audits and ad-hoc procedures will be undertaken to monitor and evaluate the extent of compliance with policies and procedures. In instances where serious breaches occur, swift and efficient disciplinary action will be considered to set an example to other potential wrongdoers;

FRAUD PREVENTION PLAN

- 4.2.3.3 New policies and procedures and strategic plans will be circulated to staff at appropriate levels, in draft format, for input and comments before these are finalized;
- 4.2.3.4 The system for pre-employment screening of candidates for employment will be reviewed and if necessary, enhanced to ensure that the best candidates are employed;
- 4.2.3.5 The existing policies and procedures will be communicated and made accessible to all employees within the Tribunal for them to be informed thereof. An employee identified as not complying with the necessary policies and procedures will be subjected to disciplinary action;
- 4.2.3.6 A specific effort will be made to ensure that measures are put in place, for the placing of restrictions on providers of goods/ and or services who are found guilty of unethical conduct or other irregularities. Any employee found to be colluding with suppliers will be subjected to disciplinary action with a sanction of dismissal and any losses suffered by the Tribunal will be recouped from the employee.

4.3 DISCIPLINARY CODE AND PROCEDURES

- 4.3.1 The Tribunal's Disciplinary Code and Procedures prescribed appropriate steps to be taken to resolve disciplinary matters.
- 4.3.2 The Tribunal recognizes the fact that the consistent and efficient application of disciplinary measures is an integral component in making the Plan a success. The Tribunal will continue to pursue the following steps to ensure the consistent, efficient and speedy application of disciplinary measures:
 - 4.3.2.1 Ensuring, by communicating and awareness exercises that all managers are aware of the content of the Disciplinary Code and Procedures, their responsibility for maintaining discipline, the standards of discipline expected, the procedure for the application of disciplinary measures and the disciplinary process;

FRAUD PREVENTION PLAN

4.3.2.2 Developing a system to facilitate the consistent application of disciplinary measures, e.g., a monitoring system that includes proper record keeping of all disciplinary actions taken; and

4.3.2.3 Developing a system where managers are held accountable for the management and addressing of misconduct and fraud within their units.

4.4 INTERNAL CONTROLS

4.4.1 This section of the Plan relates to basic internal controls to prevent and detect fraud. The systems, policies, procedures, rules and regulations of the Tribunal prescribe various controls, which if effectively implemented, would limit fraud within the Tribunal. These controls may be categorized as a) prevention controls and b) detection controls.

4.4.2 To ensure that internal controls are effectively and consistently applied, deficiencies and non-compliance identified by internal audit will be addressed as follows:

4.4.2.1 The Tribunal will continue to regularly re-emphasize to all managers that consistent compliance by employees with internal controls is one of the fundamental controls in place to prevent fraud. Managers will be encouraged to recognize that internal control shortcomings identified during audits are, in many instances, purely symptoms and that they should strive to identify and address the causes of these internal control weaknesses, in addition to addressing the control weaknesses;

4.4.2.2 The Tribunal will ensure that the performance appraisal of senior managers will consider the number of audit queries raised and the level of seriousness of the consequent risk to the Tribunal as a result of the internal control deficiency identified. This is intended to raise the level of accountability for internal control by the senior managers;

4.4.2.3 A matrix of internal control weaknesses identified during audits and investigations will be developed in order to assist in the identification of areas that require additional focus;

FRAUD PREVENTION PLAN

4.4.2.4 Conflict of interest- there are several situations that could possibly give rise to a conflict of interest. The most common are accepting gifts from suppliers, running a private business while employed by the Tribunal and close or family relationships with service providers or tenderers. All staff of the Tribunal are therefore required to disclose their specific interest on an annual basis. All records will be kept for auditing purposes;

4.4.2.5 All employees within the Tribunal are encouraged to be aware of and to identify any internal control weaknesses within their working environment and to communicate such weaknesses to their manager or in the case of a manager to the Accounting Authority.

4.5 PHYSICAL AND INFORMATION SECURITY

4.5.1 Physical security

4.5.1.1 Recognizing that effective physical security is one of the "front line" defenses against fraud, the Tribunal will take regular steps to improve physical security and access control at its offices in order to limit the risk of theft of assets.

4.5.1.2 The Tribunal will also consider conducting a regular review of the physical security arrangements at its offices and improve on weaknesses identified.

4.5.2 Information security

4.5.2.1 The Tribunal will ensure that employees are sensitized on a regular basis to the risks of fraud associated with poor management of information security in order to enhance their understanding thereof and the risks to the Tribunal associated with poor control over confidential information.

4.5.2.2 Regular review of information and computer security will also be considered. Weaknesses identified during these reviews will be addressed with the respective managers.

FRAUD PREVENTION PLAN

- 4.5.2.3 Regular communiques will be forwarded to employees pointing out the content of the IT Policy and procedures, with particular emphasis on Internet and e-mail usage and the implications (e.g., disciplinary action) of abusing these and other computer-related facilities. Where employees are found to have infringed on prevailing policy in this regard, disciplinary action will be taken.

5 DETECTING, REPORTING AND INVESTIGATING FRAUD

5.1 INTERNAL AUDIT

- 5.1.1 The primary function of Internal Audit is to assist the Tribunal in improving the efficiency and effectiveness of operations, risk management, control and governance. This is further intended to promote good governance and assist with the prevention, detection and reporting of fraud within the Tribunal.
- 5.1.2 Internal Audit conduct various reviews during the year in accordance with their Annual Audit Workplan and management will ensure that the implementation of recommendations flowing from the reviews are attended to within the agreed time frames.

5.2 ONGOING RISK ASSESSMENT

- 5.2.1 The Tribunal acknowledges the fact that it faces diverse business risks from both internal and external environments. It will ensure that a structured programme is put in place to ensure that risk assessments within the Tribunal are conducted in line with the requirements of the PFMA.
- 5.2.2 The risks of fraud listed in paragraph 5.2.3 below will be addressed by conducting reviews in order to secure a more detailed understanding of the areas wherein these risks exist.
- 5.2.3 Specific transactions in areas referred to in this paragraph will be selected in order to conduct fraud detection reviews, including fraud susceptibility assessments, aimed at detecting possible incidents of fraud and /or control weaknesses in order to address these:

FRAUD PREVENTION PLAN

- 5.2.3.1 Weaknesses in internal control;
- 5.2.3.2 Weaknesses in the payroll system;
- 5.2.3.3 Weaknesses in information technology and processing systems;
- 5.2.3.4 Weaknesses in budget management and financial reporting;
- 5.2.3.5 Collusion in tendering and procurement;
- 5.2.3.6 Abuse of assets, including computer equipment;
- 5.2.3.7 Poor inventory and asset management;
- 5.2.3.8 Fraud relating to overtime claims;
- 5.2.3.9 Weaknesses in the management of leave;
- 5.2.3.10 Weaknesses related to non-segregation of duties;
- 5.2.3.11 Weakness in the implementation of projects; and
- 5.2.3.12 Weaknesses in project management.

5.3 FRAUD DETECTION AND REPORTING

- 5.3.1 The Tribunal recognizes that in order to effectively prevent fraud, all fraudulent activities detected by employees and other stakeholders should be reported and investigated. In this regard, the Tribunal is using the Whistle Blowers Toll Free Fraud Hotline (number 0800 225 463) as well as the National Anti-Corruption Hotline (number: 0800 701 701).
- 5.3.2 The Tribunal supports the Fraud Hotline and encourages its employees to utilize this service to supply information relating to fraudulent activities. The Fraud Hotline is also an integral mechanism for the reporting of fraud in terms of the NCT Fraud Policy.
- 5.3.3 The Tribunal will ensure that the responsibility of responding to and investigating information secured through the Fraud Hotline and through any other medium, is clearly dealt with and that proper records are kept of all allegations relating to the Tribunal. This will assist the Tribunal in managing risks of fraud.

5.4 THE FRAUD POLICY

- 5.4.1 A Fraud Policy has been developed.
- 5.4.2 The Fraud Policy will be circulated to all employees within the Tribunal. Appropriate presentations on the implications of the Protected Disclosures Act will be included in strategies to create awareness of the Fraud policy.

FRAUD PREVENTION PLAN

- 5.4.3 It must be noted that in terms of the Fraud Policy, all employees are obliged to report any irregularity affecting the Tribunal that they notice or become aware of. Failure to do so could result in appropriate action being taken against such person(s) and may result in appropriate action being taken against such person(s) and may result in criminal sanctions being taken.
- 5.4.4 In order to facilitate the identification of additional risks and the consequent development of appropriate strategies to address these, the Tribunal will continue to keep records of all allegations brought to its attention. This will be crucial in effectively addressing the risk of whistle blowers being victimized, by managers and fellow employees, in contravention of the Protected Disclosures Act.

5.5 THE WHISTLE BLOWING POLICY

- 5.5.1 In order to further limit the risk of employees being victimized for whistle blowing, in contravention of the Protected Disclosure Act, the Tribunal has developed a Whistle Blowing Policy.
- 5.5.2 The Whistle Blowing Policy is based on the Protected Disclosures Act, which guarantees protection to employees against victimization following disclosure of fraudulent activity by employees, and it is intended to encourage and enable employees to raise serious concerns without fear of victimization.
- 5.5.3 The Whistle Blowing Policy will be circulated to all employees within The Tribunal.

6 FURTHER IMPLEMENTATION AND MAINTANCE

6.1 CREATING AWARENESS

6.1.1 Education

FRAUD PREVENTION PLAN

6.1.1.1 The Tribunal will ensure that the regular presentation and formal training are carried out for employees to enhance their understanding of the manifestations of fraud, prevention and detection techniques and the components of the Plan, in general. These presentations and training will include ongoing formal lectures to managers in all functional disciplines.

6.1.2 Communication

6.1.2.1 Communication is crucial in creating awareness of the Plan amongst employees and other stakeholders. This is intended to facilitate a culture where all stakeholders strive to make the Plan a success and to sustain a positive, ethical culture within the Tribunal. This will increase the prospect of fraud being reports and improve the Tribunal's prevention and detection ability.

6.1.2.2 The Tribunal will consider various means of communicating its fraud prevention initiatives, including the following:

- 6.1.2.2.1 Conducting workshops and creating awareness of the Plan;
- 6.1.2.2.2 Circulating appropriate sections of the Code to other stakeholders;
- 6.1.2.2.3 Publishing "lessons learnt" out of investigations into allegations of fraud amongst employees;
- 6.1.2.2.4 Circulating successes related to the Plan and fraud *modus operandi*;
- 6.1.2.2.5 Placing notices or other communiques related to the Plan on notice boards and other areas to which employees and the public have access;
- 6.1.2.2.6 Giving copies of the Code to suppliers of goods and services;
- 6.1.2.2.7 Developing a fraud suggestion box where all employees could make suggestions on how to prevent fraud and corruption and further improve the Plan; and
- 6.1.2.2.8 Using the newsletter to communicate issues relating to the prevention and detection of fraud, including matters reported and action taken.

7. ONGOING MAINTENANCE AND REVIEW

7.1 In order to ensure the process of ongoing development and implementation of the Plan is consultive and viewed as such by all stakeholders within the Tribunal, a committee will be established.

FRAUD PREVENTION PLAN

- 7.2 The Committee, once established, will be responsible for the ongoing maintenance and review of the Plan. This will include:
 - 7.2.1 Evaluating reports of fraud and highlight areas of risk within the Tribunal;
 - 7.2.2 Considering fraud threats to the Tribunal and addressing these;
 - 7.2.3 Monitoring action taken to implement recommendations relating to incidents of fraud;
 - 7.2.4 Steering and taking responsibility of the Plan;
 - 7.2.5 Reviewing and making appropriate amendments to the Plan; and
 - 7.2.6 Ensuring that ongoing implementation strategies are developed and carried out.
- 7.3. The Plan will be reviewed annually, whilst progress with the implementation of the various components will be reviewed on a quarterly basis. With regards to the latter, specific priorities stemming from the Plan, actions to be taken, responsible persons and feedback dates relating to progress made will also be set.

RISK MANAGEMENT FRAMEWORK

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RISK MANAGEMENT FRAMEWORK

RISK MANAGEMENT FRAMEWORK

1. PREAMBLE

Risk Management (RM) is a structured, consistent, and integrated approach that aligns strategy, processes, people, technology, and knowledge to minimize and mitigate potential risks to the delivery of an entity's mandate and/or the achievement of its strategic aspirations, goals, and objectives. It is the process by which the uncertainties facing the National Consumer Tribunal (NCT) are identified, analysed and managed to maximize opportunities from an entity-wide perspective. The NCT's framework is aligned with the National Treasury Public Sector Risk Management Framework. It incorporates the requirements of the Batho-Pele principles and King IV and the Public Finances Management Act, No 1 of 1999 ("PFMA") insofar as they concern risk management.

This document has been developed to support the NCT's Risk Management Policy and should be read in conjunction with that document. This document applies to all parts of the entity and all managers, employees, Tribunal Members and outsourced service providers of the NCT as well as its respective governance Committees or any associated program or initiative.

The Risk Management Framework covers the full spectrum of risks facing the NCT, differentiated as follows:

- **Strategic risks** which originate from the possibility of a variance in the outcome of decisions and choices made in the setting of the NCT's strategic goals and objectives from what was expected to be achieved.
- **Operational risks** arise from the possibility of a variance between the expected and actual performance, reliability, quality and efficiencies of the NCT's internal operations and ways of working.

The Executive Chairperson of the NCT has committed the NCT to a comprehensive risk management process, aligned to the principles of good corporate governance, as supported and informed by legislation and leading practice.

RISK MANAGEMENT FRAMEWORK

2. OBJECTIVES

The objective of this Framework is to promote a standard, consistent approach to entity-wide risk management at the NCT. This approach will ensure that all risks that could affect employees, Tribunal Members, the NCT's reputation, business processes/systems, financial and functional performance are identified, assessed, managed and mitigated to an acceptable level by:

- Embedding a consistent approach to risk management into the culture and strategic planning processes of the NCT, supporting the setting of priorities and the making of sound decisions at all levels;
- Applying a consistent approach to risk response and control activities to support the NCT's responsibilities for innovation and responsible risk-taking, policy development, program management and goal / objective achievement. In all cases, appropriate measures will be put in place to address unfavourable outcomes from identified risks and to maximize the favourable benefits from opportunities.
- Manage a transparent, visible approach to risk through formal and informal communication and the monitoring and management of all key risks. Risk management processes will balance the cost of managing risk with the anticipated benefit. Risk management practices will be adapted to encompass best practices and specific circumstances.

3. RISK MANAGEMENT (RM) KEY CONCEPTS

Risk is defined as those potential events and trends that may significantly affect the NCT's ability to achieve its strategic goals and objectives or maintain the delivery of its operations. Once the event or trend upon which the risk has been developed occurs, it is no longer a risk, rather, it is an issue for the NCT to address.

Good managers address risk by implicitly building risk management and mitigation into their programming and decision-making processes.

The **RM Framework** is a methodology that formalizes risk management practices and provides an all-encompassing view of risk to ensure the sustainability and resilience of the NCT's operations.

RISK MANAGEMENT FRAMEWORK

The roles and responsibilities of all parties are clearly spelled out in the NCT's Risk Management Policy. The Chief Risk Officer facilitates a systematic approach to evaluating and improving risk management and control effectiveness.

The following principles inform the operationalization of this Risk Management Framework:

- **All risks** facing the NCT whether **quantifiable or not**, is to be considered. Several types of risks that are not easily quantified can potentially impact the NCT, e.g., reputation.
- All risks facing the NCT will be evaluated based on the **likelihood** of the risk occurring as well as the **impact** on the NCT if the risk event were to occur. The likelihood and impact of each risk are evaluated both at an **inherent** (without management) and **residual** (with management) level.
- The following **elements** are essential when managing risk:
 - **Assurance:** Stakeholders are assured that risk is being managed within the NCT's risk tolerance and are able to obtain information regarding the quality and type of controls in place.
 - **Oversight and responsibility:** All critical risks facing the NCT are identified, managed and reported on at a level and with a frequency that supports NCT's risk appetite and tolerance.
 - **Ownership:** Risk owners are to be assigned and will need to understand their responsibility for risk management, oversight, mitigation and assurance.
- The **risk response** for identified risks will be assessed according to the NCT's **risk appetite**. The five possible risk responses are to:
 - **Avoid** (eliminate) the risk;
 - **Reduce** (mitigate) the risk;
 - **Transfer** the risk (e.g., insurance);
 - **Share** the risk; or,
 - **Accept** the risk.
- A formal or informal risk evaluation will be considered depending on the scope of the decision or action taken at the NCT. This will be done both at the onset and throughout the life of the decision or action. Where applicable and quantifiable, the expected **cost** of the risk will be considered in the business case used in the decision and evaluation process.

RISK MANAGEMENT FRAMEWORK

- There will be a desire to **learn from events** that have transpired - the risk management process is a cycle where experience provides key information for new decisions and actions. Open and appropriate communication of results and lessons learned is required to facilitate learning.
- The NCT's **risk register** will be updated annually following the annual strategic planning exercise. New risks will be considered. Those Risks which are no longer relevant shall be excluded. The risk register will be refreshed by rating the likelihood and impact of each risk. This information is used to prioritize the risks, providing input into the NCT's budgeting and planning cycles.

4. RISK APPETITE

The NCT's **risk appetite** defines the targeted or preferred residual risk profile after treatment and mitigation to inform strategy development, budgets and operational planning.

The Executive Chairperson of the NCT shall formally express the NCT's risk appetite through an NCT-approved **Risk Appetite and Tolerance Statement**. The risk appetite and related risk limits or tolerances shall convey the level of risk the NCT is willing to take in pursuing its objectives.

The Risk Appetite and Tolerance Statement shall be prepared by the Chief Risk Officer and recommended for approval by the COO to the Audit and Risk Committee and the Executive Chairperson of the NCT for review and approval.

The Risk Appetite and Tolerance Statement shall be reviewed and re-approved on at least an annual basis. All risk-taking at the NCT shall occur within the approved risk appetite and associated risk limits or tolerance.

As a starting point, the risk appetite can be expressed as the **acceptable level of residual risk** (risk rating after considering current controls), the ratings of which vary from 25 – critically high to 0 – extremely low or no risk.

The initial risk appetite is shown in the **Table** below under risk strategy.

5. RISK STRATEGY

RISK MANAGEMENT FRAMEWORK

The risk strategy provides guidance on how to reduce the NCT's risk vulnerability inherent in its business and operational strategies to levels acceptable within its risk appetite. The risk strategy is informed by the risk appetite. It defines which risks should be avoided and which should be accepted and retained or accepted but modified by mitigation, transfer or sharing of risk.

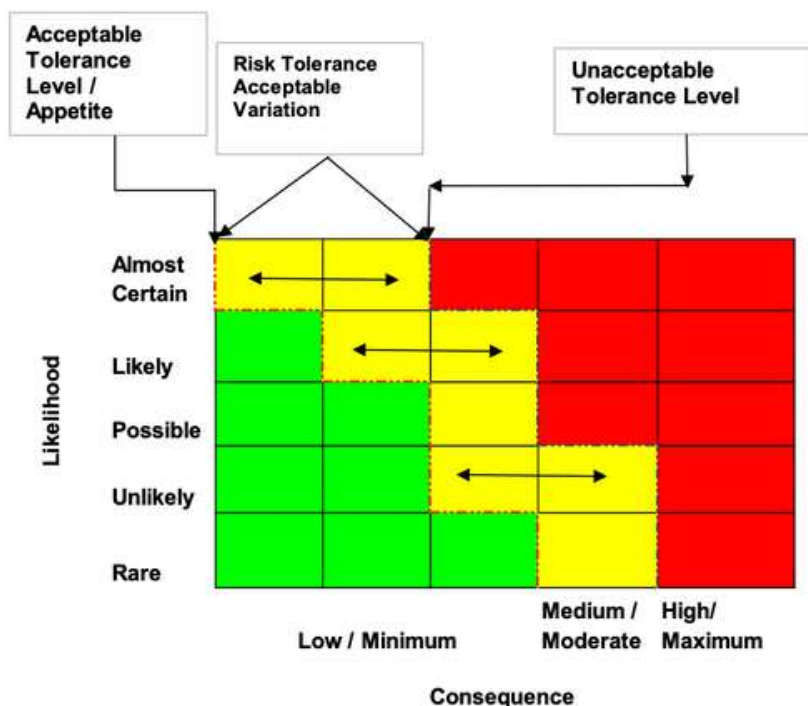
Whereas the NCT's strategies put upward pressure on the risk exposure, the risk strategy exerts a downward influence on the inherent risk exposures. It does so by providing guidance on the best options for minimising uncertainty and for actions designed to maintain residual risk exposure at tolerable levels.

The **Risk Strategy** is illustrated in the table below:

RISK INDEX	RISK MAGNITUDE	RISK ACCEPTABILITY	PROPOSED ACTIONS
20-25	Maximum risk	Unacceptable	Take immediate and constant action to reduce the risk.
13 - 19	High	Unacceptable	Take action to reduce risk with the highest priority and attention of the Chief Operations Officer
7 – 12	Medium	Unacceptable	Take action to reduce risk, inform senior management.
5– 6	Low	Acceptable	No risk reduction - control, monitor, inform management.
1-4	Minimum Risk	Acceptable	

The NCT's Risk Appetite and Tolerance levels is illustrated in the graphic below:

RISK MANAGEMENT FRAMEWORK



Variance to set tolerance levels will be managed as follows:

Status	Range	Escalation Levels	Frequency
Acceptable	Low / Minimum	Senior Management	Quarterly
Risk Tolerance Acceptable Variation	Medium / Moderate	Audit and Risk Committee	Quarterly
Unacceptable	High/ Maximum	Audit and Risk Committee and Executive Authority	Quarterly / Immediately

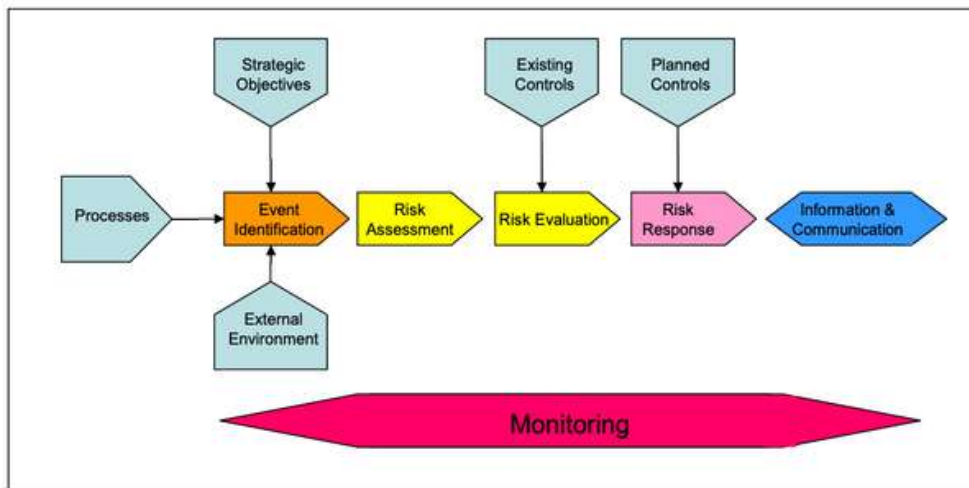
Table 2: Tolerance levels

RISK MANAGEMENT FRAMEWORK

6. RISK MANAGEMENT PROCESS

6.1 OVERVIEW

The NCT **Risk Management Process** is shown diagrammatically below, with detailed descriptions of the processes thereafter.



6.2 RISK IDENTIFICATION

Risk identification is the systematic identification of **risk events** arising as a result of inadequate or failed internal processes, people and systems or external events (i.e., what can go wrong), potentially resulting in strategic and business objectives not being achieved. The identification also includes the **cause** and the **consequence** of the risk event.

Events with a potentially negative impact represent **risks** which require management's assessment and response.

A **risk event** is described as an **event** which could result in the organisation not achieving its strategic and business objectives.

The risk event must be a detailed articulation of the identified risk (what can go wrong) and includes the **cause as well as the potential consequence** (effect) to give a clearer understanding of the risk.

A simple example may illustrate this:

RISK MANAGEMENT FRAMEWORK

Risk – a virus enters the computer server

Cause – inadequate virus protection software

Effect – loss of data and software failure with potential financial loss and reputation damage.

The process of **risk identification** requires careful consideration of entity-level strategic goals and objectives, divisional/departmental-level strategic goals and objectives, business processes and the external environment in which the NCT operates. This is done to identify events or circumstances that may arise that would prevent the NCT from achieving its objectives or result in ineffective and inefficient processes.

Principle 11 of King IV requires a *“governing body to govern the risk in a way that supports the organisation in setting and achieving its strategic objectives.”* The entity's management should also recognise the existence of *opportunities* inherent in some risks. This means that in instances where a risk, such as “inadequate funding,” has been identified, an opportunity exists for management to focus on reducing its expenditure budget by rooting out those expenses which would ordinarily have been incurred by operating on a “lean budget” and prioritise its essential financial commitments in order to meet its statutory mandate and strategic goals and objectives.

Each goal, objective or process is considered individually, with the risk categories and risk prompts being used to identify risk events. **Risk categories** are included in Annexure 2.

It is important to understand that in identifying risk at the risk identification stage, no consideration is given to the likelihood of the risk event occurring nor the quantum of the impact should the risk event materialize. These activities take place in the **risk assessment** process.

The initial **risk identification** will be undertaken through a workshop facilitated by risk specialists. However, risk identification is a dynamic and ongoing process. The Chief Risk Officer and identified risk champions will need to review and update the risk register on an ongoing basis.

The output of the risk identification will be an **initial risk register**, which lists all the identified risks and will be used throughout the balance of the risk management process. The specific **columns** in the risk register that will be completed are:

COLUMN	NAME	DESCRIPTION
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RISK MANAGEMENT FRAMEWORK

A	Reference number	A unique number to identify the risk
B	Goal, Objective or Process	The objective(s) and/or process(es) that the risk event relates to
C	Risk name	Full description of the risk, which will be readily understood by all of the business leaders (or project team) upon completion of the identification process and 12 months later
E	Root cause/s of the risk	The causes or contributing factors that give rise to the risk
F	Background / Consequences to the risk (on the organisation)	The result or impact of the risk on the organisation should it occur

6.3 RISK ASSESSMENT

Risk assessment is a method of analysing and documenting the consequence (impact) and likelihood (probability) of the identified risk events occurring that will prevent the achievement of business objectives.

The initial risk assessment (inherent risk) is the scoring of the consequence (impact) and the likelihood of potential events that could occur if **NO** controls were in place (i.e., the effect of purportedly existing controls failed).

The **likelihood** (probability) of the risk event is established using the following rating scale:

RATING	LEVEL	QUALIFICATION CRITERIA DEFINITION	LIKELIHOOD OF OCCURRENCE IN THE NEXT 12 MONTHS
5	Almost Certain	Expected to occur in most circumstances or occurs regularly.	>70%
4	Likely	Occurrence is noticeable, starting to	40% - 70%

RISK MANAGEMENT FRAMEWORK

RATING	LEVEL	QUALIFICATION CRITERIA DEFINITION	LIKELIHOOD OF OCCURRENCE IN THE NEXT 12 MONTHS
		be on nuisance value	
3	Possible	Occurs occasionally	20% - 40%
2	Unlikely	Occurs infrequently.	5% - 20%
1	Rare	Only occurs in exceptional circumstances	<5%

The **impact** of the risk is then assessed, assuming that the risk will occur, ignoring the likelihood or considering the likelihood as certain.

There are numerous methods of assessing impact ranging from basic to sophisticated and from highly subjective to objective quantification. The more sophisticated and objective the impact assessment, the more effort is required.

For the initial risk assessment, a basic subjective approach will be adopted based on the following **Impact** rating scale:



RATING	LEVEL	CONTINUITY OF SUPPLY	PUBLIC REACTION	FINANCIAL (ILLUSTRATIVE)	ACHIEVEMENT OF OBJECTS
5	Catastrophic	Reduction in supply or disruption for a period greater than 7 days.	International Media Coverage.	The impact is over R3,5 million	Most business objectives are impacted.
4	Major	Reduction in supply or disruption for a period ranging between 3 days and 7 days.	Significant negative international media coverage.	The impact is between R1 million and R3,5 million.	A large number of important business

RISK MANAGEMENT FRAMEWORK

RATING	LEVEL	CONTINUITY OF SUPPLY	PUBLIC REACTION	FINANCIAL (ILLUSTRATIVE)	ACHIEVEMENT OF OBJECTS
					objectives are impacted.
3	Moderate	Reduction in supply or d for a period between 1 day and 3 days	Negative national media coverage.	The impact is between R500 000 and R1 million.	Some important business objectives are impacted.
2	Minor	Brief localised inconvenience	Limited negative national media coverage.	The impact is between R100 000 and R500 000.	Some business objectives are affected.
1	Not significant	No impact on business or core systems.	Little reaction in national media.	The impact is less than R100 000.	Insignificant effect and can be easily remediated.

The **risk register** will be updated with the likelihood and impact assessment for each risk and the **inherent risk rating** will be calculated and determined.

The specific columns in the **risk register** in respect of likelihood and impact that will be completed are:

COLUMN	NAME	DESCRIPTION
I	Likelihood	The probability that the risk event will materialize
O	Impact	Impact on the business should the risk event materialize.
K	Inherent Exposure	Risk The combination of the likelihood and impact of the risk

6.4 RISK EVALUATION

RISK MANAGEMENT FRAMEWORK

Considering that the inherent risk rating assumes that there are no controls in place, it is necessary to evaluate the risk considering the existing controls that may mitigate either the impact or likelihood of the risk event materialising.

Controls are described as any methods, procedures, equipment or other actions implemented by management (either consciously or unconsciously) that may mitigate, either the likelihood or impact, of a particular risk event and provide additional assurance that objectives will be achieved. Each risk may require one or multiple controls in order to effectively reduce the risk to a level, which is acceptable to management and other stakeholders.

The controls documented and used for the risk evaluation are the **current controls** in place. Planned amendments to existing controls or new controls are documented and assessed as part of risk planning.

Each risk is considered in terms of the existence of any current controls in place that may mitigate the risk. The controls must be identified and described.

An assessment of the **effectiveness** of the current controls must be performed based on the following scale indicated in the Table below:

ITEM	ASSESSMENT	DEFINITION	INHERENT RISK RATING
1	Very Good	Risk exposure is effectively controlled and managed	90%
2	Good	Majority of risk exposure is effectively controlled and managed	80%
3	Satisfactory	There is room for some improvement	65%
4	Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies	40%
5	Unsatisfactory	Control measures are ineffective	20%

The risk register will be updated with the control description and control effectiveness rating, which will allow the calculation of an **initial residual risk rating**.

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The downward adjustment of the inherent risk will be performed in terms of the inherent risk adjustment as per the above Table. This will not be a formulaic adjustment but will require due consideration by those assessing and evaluating risk. The result is the residual risk rating based on the current control environment, which will be utilised for risk response planning.

The risks will then be **prioritised** according to this rating, which will be used for risk planning. The specific **columns** in the risk register that will be completed are outlined in the Table below:

COLUMN	NAME	DESCRIPTION
M	Key controls	This is a brief description of the controls currently in place that may mitigate the probability and impact of the risk event.
Q	Residual Likelihood	This is the downward adjusted inherent risk likelihood based on the control effectiveness rating.
G	Impact	This is the downward adjusted inherent risk impact based on the control effectiveness rating.
S	Residual Risk Exposure	The combination of the adjusted likelihood and impact of the risk

6.5 RISK ACTION PLANNING

The prioritised list of risk events needs to be examined by the NCT to determine how to respond to the various identified risks. This is a management responsibility and requires a careful review of each risk, considering the NCT's risk appetite and associated costs and benefits, to arrive at a set of appropriate risk response strategies. There are fundamentally **four risk response strategies** as follows:

NAME	DESCRIPTION
Terminate	Take action to remove the activities that give rise to the risks.
Treat	Reduce the risk likelihood, impact, or both
Transfer	Reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk

RISK MANAGEMENT FRAMEWORK

Tolerate	Take no action to affect likelihood or impact because it is such a minimal risk, or the cost to implement the risk is too high relative to the cost of the risk.
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Risk action plans that may be required to either improve an existing control measure or implement a new control measure to reduce the assessed risk need to be developed for each risk, primarily where a reduction of risk is selected as the Risk Response Strategy.

Once the risk response category has been identified for a particular risk, specific actions must then be devised to reflect that response. It is commonly impossible to eliminate risk in its entirety (unless a different business activity is adopted altogether). Hence where a risk can be reduced within acceptable limits and the cost of the risk response actions do not outweigh the benefits, it is possible to retain a risk while conducting reduction strategies.

The consideration of risk management strategies and action plans is integral to risk management. It requires that management selects a response that is expected to bring risk likelihood and impact within the organisation's risk tolerance level with due consideration of the related costs.

Management should recognise that some level of **residual risk** will always exist, not only because resources are limited, but also because of inherent future uncertainty as well as the limitations inherent in all activities.

Specific care must be exercised for risks that are regarded as **low probability but high impact** (referred to as "black swans"), including the recognition that the probability of occurrence of an unpredictable but severe event is much greater than is generally recognised. The most effective way to mitigate such risks may ultimately be by way of **business continuity plans**. The NCT should consider such exposures and mitigating actions as part of its annual assessment.

The risk register must be updated to reflect the risk strategy adopted and additional planned controls and actions to reduce the risk. The likelihood and impact rating need to be reassessed, taking into account the risk strategy adopted and additional planned controls and actions to reduce the risk, which may result in a downward adjusted residual risk profile.

The specific **columns** in the risk register that will be completed are outlined in the Table below:

RISK MANAGEMENT FRAMEWORK

COLUMN	NAME	DESCRIPTION
N	Risk Owner	The manager with primary responsibility for the management of the risk
W	Actions / Plans	This is a brief description of the controls/actions that are planned to mitigate the probability and impact of the risk event.
X	Action Plan Owner	The official or body responsible for implementing the planned controls
Z	Actual end date	The date by which the planned control will be implemented.
S	Residual Risk Exposure	The downward adjusted residual risk based on the risk strategy adopted and additional planned controls and actions to reduce the risk

The resultant **risk register** will represent the risk profile of the NCT at the point in time that it is completed.

6.6 INFORMATION AND COMMUNICATION

Pertinent information – both from internal and external sources, financial or non-financial – must be identified, captured and communicated in a form and timeframe that enable personnel to carry out their responsibilities.

Effective communication also occurs in a broader sense, flowing down, across and up the organisation, as well as the exchange of relevant information with external parties, such as customers, suppliers, regulators and shareholders.

Information is needed at all levels of the NCT to identify, assess and respond to risks, and to otherwise run the NCT and achieve its objectives. An array of information is used, relevant to one or more objectives categories. Information comes from many sources – internal and external, and in quantitative and qualitative forms – and allows risk management responses to changing conditions in real-time. Management provides **specific and directed communication** addressing behavioural expectations and the responsibilities of personnel. This includes a clear statement of the organisation's risk management philosophy and

RISK MANAGEMENT FRAMEWORK

approach and delegation of authority. The information must be fed into the organisation in the form of a series of triggers and reports. These include:

NAME	DESCRIPTION	FREQUENCY	REPORTED TO
All risks with a high residential rating	The risks with the highest residual risk ratings	Monthly	EXCO and the EC
Risk Register	The register of all the identified risks in the NCT.	Monthly Quarterly	EXCO, EC Dtic, ARC, HRGC and ICTGC
Incident Report	Actual non-compliance incidences and losses incurred	Minimum monthly or as required	EXCO, EC, Governance Committees
Realised Risk	Identified risks that have been realised and corrective action taken	Minimum monthly or as required	EXCO, EC, Governance Committees
Emerging Risks	New risks or familiar risks that become apparent in new or unfamiliar conditions.	Monthly or as risks arise	EXCO, EC, Governance Committees

6.7 RISK MONITORING

It must be borne in mind that the NCT risk profile will change over time and accordingly must be monitored and reviewed on a regular basis. Risk should therefore be regularly **monitored** – a process that also includes assessing both the presence and functioning of risk management. Monitoring can be performed in two ways - through ongoing activities or separate evaluations. This will ensure that risk management continues to be applied at all levels and across the organisation.

Ongoing monitoring should be built into the normal, recurring operating activities of the NCT should be performed on a real-time basis and should react dynamically to changing conditions and should be ingrained within the NCT. As a result, it is more effective than conducting separate evaluations. Since separate evaluations take place after the fact, risks will often be identified quicker by ongoing monitoring routines.

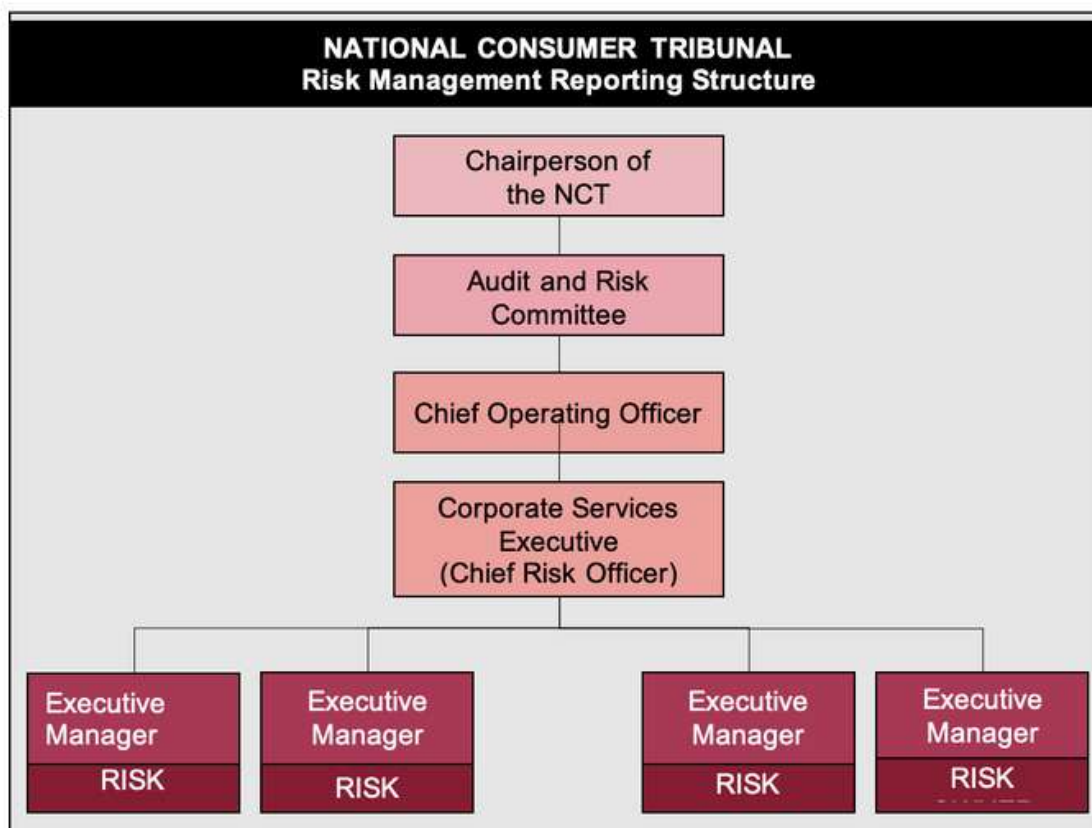
RISK MANAGEMENT FRAMEWORK

The **frequency** of separate evaluations is a matter of management's judgment, although there should be one overall risk evaluation at least annually. In making that determination, consideration should be given to the nature and degree of changes from both internal and external events and their associated risks, the competence and experience of the people implementing risk management strategies and related controls and the results of the ongoing monitoring. Usually, some combination of both ongoing monitoring and separate evaluations will ensure that risk management maintains its effectiveness over time.

7. RISK MANAGEMENT STRUCTURE

7.1 STRUCTURE

The risk management **structure** is shown diagrammatically below: The ARC provides governance oversight over matters of risk, supported by the Risk Management Committee. The Chief Risk Officer is ultimately responsible for managing risk within the institution.



RISK MANAGEMENT FRAMEWORK

7.2 ROLES AND RESPONSIBILITIES

The roles and responsibilities for the various positions in the Risk Management Structure have been outlined in the NCT Risk Management Policy.

7.3 RISK MANAGEMENT COMMITTEE CHARTER

The **Risk Management Committee Charter** is attached as Annexure 3.

7.4 GUIDELINES

The following guidelines are attached as appendices to assist the various functionaries to understand and perform their risk management responsibilities:

POSITION	ANNEXURE
Risk Management Committee – see above	3 & 4
Chief Risk Officer	5
Management	6
Risk Owners	7
The Executive Chairperson/ Accounting Authority	8

8. FRAMEWORK ADHERENCE

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This Framework applies to the Executive Chairperson of the NCT, Tribunal Members, the Chief Operating Officer, the Chief Risk Officer, the respective governance Committees, employees, managers and outsourced service providers. These persons and entities are expected to adhere to the Framework. Non-adherence to the Framework may result in the NCT becoming non-compliant with legislation; therefore, compliance to the Framework is mandated in terms of the NCT Conditions of Employment.

9. FRAMEWORK REVIEW

This Framework shall be reviewed annually.

ANNEXURE 1 – RISK GLOSSARY

RISK MANAGEMENT FRAMEWORK

TERM	DETAIL/DEFINITION
Compound Risk	A risk that comprises a number of interrelated risks.
Contingency	Money, time and other resources set aside as contingency as determined by risk analysis results, which may be used in the event of risks occurring.
Event	An incident, outcome, issue or result that occurs in a certain place during a particular interval of time.
Impact	An assessment of the adverse effect of the risk occurring. Commonly used in risk analysis as one part of the assessment of a risk, the other being Likelihood.
Likelihood	Likelihood is an assessment of the probability of a risk occurring. Used in Risk Analysis as one part of the assessment of a risk, the other being Impact.
Probability	Usually used in the context of risk as a measure of the likelihood of a risk occurring.
Qualitative Risk Analysis	A generic term for subjective methods of assessing risks, e.g., identification of likelihood and impact.
Quantitative Risk Analysis	A generic term for mathematical techniques for analysis and assessing risk.
Risk	The uncertainty of an event occurring that could have an impact on the achievement of objectives. Risk is measured in terms of consequences and likelihood.
Risk Analysis	The process of ascertaining the probability and impact of uncertain events using one or more of the techniques available.
Risk Tolerance	The tendency of the organisation to undertake risky projects as reflected in management philosophy and policies.
Risk Avoidance	The process of planning activities to avoid risks, which have been identified by using an alternative method of service delivery.
Risk Factors	Observable and measurable indications of the presence of risk.
Risk Identification	The process of identifying risks together with their likelihood and impact. The most important feature of identification is a risk statement.
Risk Management Implementation Plan	A document that contains all the information about the risks, processes, resources, and techniques that are available and to be utilised in conducting risk management activities.

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TERM	DETAIL/DEFINITION
Risk Matrix (heat map)	A matrix containing the identified risks as rows and columns for Impact and Likelihood. Each cell in the matrix contains a classification from the risk ranking process.
Risk Prioritising	The ordering of Risks according to their risk value and then deciding which needs to be considered for risk reduction, risk transfer, risk avoidance, contingency allowance, active monitoring, etc.
Risk Ranking/Rating	The allocation of a classification to the impact or likelihood of a risk. This may be in the form of High, Medium, Low, or a numeric classification on a scale or index of, say, 1 to 5.
Risk Reduction	Action taken to reduce the likelihood or impact of a risk occurring.
Risk Tolerance Levels	The level of risk exposure that management is prepared to tolerate.
Risk Transfer	Where a contractual arrangement exists between two parties for the delivery and acceptance of a product, the liability for the costs of a risk may be transferred from one party to the other. A good example of risk transfer exists in Private Public Partnerships (PPPs). Note that insurance is also some form of risk transfer.
Risk Value	The number obtained when numeric impact and likelihood values are multiplied.
Secondary Risk	A risk that comes about because of avoiding or reducing another risk.

RISK MANAGEMENT FRAMEWORK

ANNEXURE 2 – RISK CATEGORIES

CATEGORY	DESCRIPTION
INTERNAL	
Human resources	<p>Risks that relate to human resources of an Organisation. These risks can have an effect on an Organisation's human capital with regard to:</p> <ul style="list-style-type: none"> ▪ NCT Values; ▪ Recruitment; ▪ Skills and competence; ▪ Employee wellness; ▪ Employee relations; ▪ Retention; and ▪ Occupational health and safety.
Knowledge and Information management	<p>Risks relating to an Organisation's management of knowledge and information. In identifying the risks, consider the following aspects related to knowledge management:</p> <ul style="list-style-type: none"> ▪ Availability of information; ▪ Stability of the information; ▪ Integrity of information data; ▪ Relevance of the information; ▪ Retention; and ▪ Safeguarding.
Litigation	<p>Risks that the Organisation might suffer losses due to litigation and lawsuits against it. Losses from litigation can possibly emanate from:</p> <ul style="list-style-type: none"> ▪ Claims by employees, the public, service providers and other third party ▪ Failure by an Organisation to exercise a certain right that is to its advantage
Loss/theft of assets	<p>Risks that an Organisation might suffer losses due to either theft or loss of an asset of the Organisation.</p>
Material resources (procurement risk)	<p>Risks relating to an Organisation's material resources. Possible aspects to consider include the following:</p> <ul style="list-style-type: none"> ▪ Availability of material; ▪ Costs and means of acquiring \ procuring resources; and ▪ The wastage of material resources

RISK MANAGEMENT FRAMEWORK

CATEGORY	DESCRIPTION
Service delivery	Every organisation exists to provide value for its stakeholders. The risk will arise if the appropriate quality of service is not delivered to citizens, as contained within the entity's mandate.
Information Technology	<p>The risks relating specifically to the Organisation's IT objectives, infrastructure requirements, etc. Possible considerations could include the following when identifying applicable risks:</p> <ul style="list-style-type: none"> ▪ Security concerns, including data theft, fraud and ransomware; ▪ Technology availability (uptime); ▪ Applicability of IT infrastructure; ▪ Integration/interface of the systems; ▪ Effectiveness of technology; and ▪ Obsolescence of technology.
Third-party performance	<p>Risks related to an Organisation's dependence on the performance of a third party. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with an Organisation. Non-performance could include:</p> <ul style="list-style-type: none"> ▪ Outright failure to perform; ▪ Not rendering the required service in time; ▪ Not rendering the correct service; and ▪ Inadequate / poor quality of performance.
Health & Safety	Risks from occupational health and safety issues, e.g., injury on duty; outbreak of disease within the Organisation.
Disaster recovery/business continuity	<p>Risks related to an Organisation's preparedness or absence thereto to disasters that could impact the normal functioning of the Organisation, e.g., natural disasters, acts of terrorism, etc.</p> <p>This would lead to the disruption of processes and service delivery and could include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include:</p> <ul style="list-style-type: none"> ▪ Disaster management procedures; and ▪ Contingency planning.

RISK MANAGEMENT FRAMEWORK

CATEGORY	DESCRIPTION
Compliance / Regulatory	Risks related to the compliance requirements that an entity has to meet. Aspects to consider in this regard are: <ul style="list-style-type: none"> ▪ Failure to monitor or enforce compliance; ▪ Monitoring and enforcement mechanisms; ▪ Consequences of non-compliance; and ▪ Fines and penalties paid.
Fraud and corruption	These risks relate to illegal or improper acts by employees resulting in a loss of the Organisation's assets or resources.
Financial	Risks encompassing the entire scope of general financial management. Potential factors to consider include the following: <ul style="list-style-type: none"> ▪ Cash flow adequacy and management thereof; ▪ Financial losses; ▪ Wasteful expenditure; ▪ Budget allocations; ▪ Financial statement integrity; ▪ Revenue collection; and ▪ Increasing operational expenditure.
Cultural	Risks relating to an entity's overall culture and control environment. The various factors related to culture include: <ul style="list-style-type: none"> ▪ Communication channels and their effectiveness; ▪ Cultural integration; ▪ Entrenchment of ethics and values; ▪ Goal alignment; and ▪ Management style.
Reputation	Factors that could result in the tarnishing of an entity's reputation, public perception and image.
Economic Environment	Risks related to the entity's economic environment. Factors to consider include: <ul style="list-style-type: none"> ▪ Inflation; ▪ Foreign exchange fluctuations; and ▪ Interest rates.

RISK MANAGEMENT FRAMEWORK

CATEGORY	DESCRIPTION
Political environment	Risks emanating from political factors and decisions that have an impact on an entity's mandate and operations. Possible factors to consider include the following: <ul style="list-style-type: none"> ▪ Political unrest; ▪ Local, Provincial and National elections; and ▪ Changes in office bearers.
Social environment	Risks related to an entity's social environment. Possible factors to consider include the following: <ul style="list-style-type: none"> ▪ Unemployment; and ▪ Migration of workers.
Natural environment	Risks relating to an entity's natural environment and its impact on normal operations. Consider factors such as: <ul style="list-style-type: none"> ▪ Depletion of natural resources; ▪ Environmental degradation; ▪ Spillage; and ▪ Pollution.
Technological environment	Risks emanating from the effects of advancements and changes in technology.
EXTERNAL	
Economic Environment	Risks related to an entity's economic environment. Factors to consider include: <ul style="list-style-type: none"> ▪ Inflation; ▪ Foreign exchange fluctuations; and ▪ Interest rates.
Political environment	Risks emanating from political factors and decisions that have an impact on an entity's mandate and operations. Possible factors to consider include the following: <ul style="list-style-type: none"> ▪ Political unrest; ▪ Local, Provincial and National elections; and ▪ Changes in office bearers.
Social environment	Risks related to an entity's social environment. Possible factors to consider include the following: <ul style="list-style-type: none"> ▪ Unemployment; and

RISK MANAGEMENT FRAMEWORK

CATEGORY	DESCRIPTION
	<ul style="list-style-type: none"> ▪ Migration of workers.
Natural environment	<p>Risks relating to an entity's natural environment and its impact on normal operations. Consider factors such as:</p> <ul style="list-style-type: none"> ▪ Depletion of natural resources; ▪ Environmental degradation; ▪ Spillage; and ▪ Pollution.
Technological environment	Risks emanating from the effects of advancements and changes in technology.
Legislative environment	Risks related to an entity's legislative environment, e.g., changes in legislation, conflicting legislation.

UPDATED RISKS AND MITIGATION

Updated key risks and mitigation from the Strategic Plan



Outcomes	Key risks	Risk mitigation
Consistent jurisprudence in consumer and credit matters	Inadequate capability to deliver on NCT mandate – as a result of fluctuation of cases beyond the NCT's control	<ul style="list-style-type: none"> • Increased oversight and quality assurance; • Case support to Tribunal Members; • Intelligent automation; • TM reviews.
Honouring financial obligations	Reduced Funding – due to cuts in government funding/deduction of grants by dtic after approval and payment.	<ul style="list-style-type: none"> • Timeous revisions to budgets and monitoring of expenses. • Monthly management accounts and cashflow discussions
Data security and continuity of systems	Lack of systems continuity in the event of a corruption of files and/or Data theft/integrity/failure of NCT ICT systems - as a result of malware/ransomware / external intrusion	<ul style="list-style-type: none"> • Conduct regular penetration tests & vulnerability assessments; • Use decoy 'honeypot' database
A high-performing and sustainable organisation	Lack of structured succession planning process	<ul style="list-style-type: none"> • Succession Planning Policy; • Skills transfer intervention • Draft mentoring and coaching policy
	Loss of highly skilled personnel (scarce and critical skills)	<ul style="list-style-type: none"> • Retention policy; • Revise Remuneration Policy; • Formal and informal training; and • Competency framework

RISK REGISTER

Rank	Priority Move	Objective	Risk name	Inherent risk exposure	Residual risk exposure	1st Line	2nd Line	3rd Line	4 the Line	Assurance Conclusion	Action required
1	↓	Responsive, timeless service to stakeholders in line with mandate	Fluctuations in NCT Caseload - beyond the NCT's control and capacity	Medium	Medium	●	●	●	●	Adequate	Refer to report
2	↑	Ensuring that NCT decisions are substantively and procedurally correct and creating jurisprudence in consumer and credit	Sub-standard judgements due to poor drafting, substantive or procedural errors - reflect negatively on the reputation of the NCT	High	Medium	●	●	●	●	Adequate	Refer to report
3	↑	Adequate Human Resources to fulfil NCT mandate	Challenge to fill vacant positions within reasonable time (has to achieve 95% target of filled positions per quarter) with suitable candidates and / or to retain HIPOs / critical / key employees.	Medium	Medium	●	●	●	●	Adequate	Refer to report
4	↓	Detailed financial management information	Lack of adequate income to meet the NCT's capital and operating expenditure requirements as a result of reduction in revenue and / or budget allocations.	Medium	Low	●	●	●	●	Adequate	Refer to report
5	↑	An ICT Enterprise Architecture that supports, enables and meets NCT's requirements	Technology – ICT systems failure resulting in NCT not being able to transact / administer / adjudicate on cases	High	Medium	●	●	●	●	Adequate	Refer to report
6	↑	0	Data theft / integrity / failure of NCT ICT systems - as a result of malware / ransomware / external intrusion	High	Medium	●	●	●	●	Adequate	Refer to report
7	↑	Co-operation and partnership between stakeholders	Inadequate user adoption - as a consequence of a lack of a programmatic change-enabled approach to the implementation of projects	Medium	Low	●	●	●	●	Adequate	Refer to report
8	↑	Responsive, timeless service to stakeholders in line with mandate	Non-compliance with relevant legislation or regulations - as a result of failing to identify / action required compliance	Medium	Low	●	●	●	●	Adequate	Refer to report