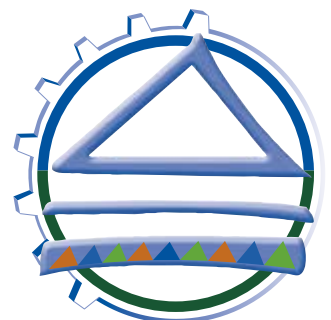


ANNUAL REPORT  
2022/23



**CCMA**

COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION



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## 2022/23 FINANCIAL YEAR AT GLANCE

### PERFORMANCE HIGHLIGHTS



The CCMA's government grant was  
**R1.046 billion.**



**1% net surplus.**



**1.3:1** ratio of safety to cash  
margins achieved.



Case referral increased from  
**156 777 to 184 075.**



**99.92% (131 221/131 322)**  
of conciliations heard within 30 days.



Settlement rate increased from  
**73% to 75%.**



**23 days** conciliation turnaround  
time.



**99.95% (17 947/17 956)**  
of arbitration awards rendered within 14 days.





**76 days**  
arbitration turnaround time.



Quality of awards index achieved  
**98.64% (19 429/19 696).**



**51% (18 196/35 679)** jobs saved.



**8.61% (4 360/50 635)**  
return to work index achieved.



**98.13% (105/107)**  
Public interest matters resolved.



**41 923 new Users**  
accessed the CCMA/BUSA Web Tool.



NMWA & BCEA referrals increased  
by **30% from 33 571 to 48 009.**





**PART A:**  
**GENERAL**  
**INFORMATION**





## 1. PUBLIC ENTITY'S GENERAL INFORMATION

### REGISTERED NAME

Commission for Conciliation, Mediation and Arbitration (CCMA)

### PHYSICAL ADDRESS

JCI House, 28 Harrison Street, Marshalltown, Johannesburg, 2001

### POSTAL ADDRESS

Private Bag X94, Marshalltown, 2107

### TELEPHONE NUMBER/S

(011) 3776650

### EMAIL ADDRESS

ho@ccma.org.za

### WEBSITE ADDRESS

www.ccma.org.za

### EXTERNAL AUDITOR'S INFORMATION

**Name:** Auditor-General South Africa (AGSA)

External Auditor's Address: 04 Daventry Street, Lynwood Bridge Office Park, Lynwood Manor, Pretoria, 0081

### BANKER'S INFORMATION

**Name:** First National Bank

### OFFICIAL PERFORMING THE FUNCTIONS OF THE BOARD SECRETARY

**Name:** Vacant

Designation: Manager - Governance and Secretariat Services





## 2. LIST OF ABBREVIATIONS/ACRONYMS

ACRONYM	DESCRIPTION
4IR	Fourth Industrial Revolution
AA	Accounting Authority
ACFE	Association of Certified Fraud Examiners
ADR	Alternative Dispute Resolution
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AMCU	Association of Mineworkers and Construction Union
AO	Accounting Officer
APP	Annual Performance Plan
APR	Annual Performance Report
ARC	Audit and Risk Committee
ASB	Accounting Standard Board
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act, 1997 (Act No.75 of 1997)
BCM	Business Continuity Management
BCNTM	Bargaining Council for the New Tyre Manufacturing Industry
BEC	Bid Evaluation Committee
BI	Business Intelligence
BSC	Bid Specification Committee
BUSA	Business Unity South Africa
CBSP	Collective Bargaining Support Processes
CCMA	Commission for Conciliation, Mediation and Arbitration
CEE	Commission for Employment Equity
CMAC	Conciliation Mediation & Arbitration Commission
CMF	Compliance Management Function
CMS	Case Management System
CMO	Case Management Officer
CSA	Commission Staff Association
CWU	Communication Workers Union
DEL	Department of Employment and Labour
DR	Dispute Resolution
DRC	Dispute Resolution Committee
DTIC	Department of Trade, Industry and Competition
EEA	Employment Equity Act, 1998 (Act No. 55 of 1998)
EMS	Emergency Management Services
ERM	Enterprise-Wide Risk Management
ESC	Essential Services Committee
FRA	Fuel Retailers Association
GSEC	Governance, Social and Ethics Committee
ICT	Information and Communication Technology
IESBA code	International Ethics Standards Board for Accountants'





ACRONYM	DESCRIPTION
IP	Implementation Protocol
ISA	International Standards on Auditing
LCC	Loss and Control Committee
LRA	Labour Relations Act, 1995 (Act No. 66 of 1995, as amended)
MISA	Motor Industry Staff Association
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MSA	Minimum Services Agreement
MSD	Minimum Services Determination
MTWU	Motor Transport Workers Union
NASA	National Association of South African Workers
NBCPSS	National Bargaining Council for Private Security Services
NEDLAC	National Economic Development and Labour Council
NMW	National Minimum Wage
NMWA	National Minimum Wage Act, 2018 (Act No. 9 of 2018)
NQF	National Qualification Framework
NTM	National Transport Movement
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
PC	Procurement Committee
PFMA	Public Finance Management Act, 1999 (Act No.1 of 1999)
PTU	Pearson Teachers Union
PUTCO	Public Utility Transport Corporation
REMCO	Remuneration Committee
SAAYC	South African Association of Youth Clubs
SAAT	South African Airways Technical
SAC	Single Adjudication Committee
SACCAWU	South African Commercial Catering and Allied Workers Union
SADC	Southern African Development Community
SATAWU	South African Transport and Allied Workers Union
SBD	Standard Bidding Documents
SCMO	Senior Case Management Officer
SDA	Skills Development Act, 1998 (Act No. 97 of 1998)
SDWAN	Software Defined Wide Area Network
Standards of GRAP	Standards of Generally Recognised Accounting Practice
TASWU	Tiriso Transport and Services Workers Union
TAWU	Transport and Allied Workers Union
TERS	Temporary Employer/Employee Relief Scheme
UIF	Unemployment Insurance Fund
UNTU	United National Transport Union
VPN	Virtual Private Network



### 3. FOREWORD BY THE CHAIRPERSON



Prof. Enos Senise Ngutshane  
Chairperson of the Governing Body

#### 3.1. INTRODUCTION

The Commission for Conciliation, Mediation and Arbitration (CCMA) is a highly efficient dispute resolution institution that has many challenges ahead of it. Despite these trials and tribulations, I am proud that the CCMA rose to the occasion to ensure that its mandate of expeditious dispute management, prevention and resolution remained uncompromised. All this happens at a time when the labour market needed the CCMA's support, the most in ensuring labour peace and equity.

#### 3.2. HIGH-LEVEL OVERVIEW OF THE STRATEGY AND PERFORMANCE

The 2022/23 financial year marked the third year of the implementation of the CCMA's five (5)-year Strategy, the *Imvuselelo - The Revival, The 2020/21-2024/25 Strategy*. For the last two and half years, the CCMA, like many other government departments and public entities, has been inundated with challenges emanating from the COVID-19 Pandemic and subsequent national lock-down. The CCMA has been facing a major challenge of

financial constraints due to budget reductions, which has constrained the organisation in meeting its competing needs and increasing caseload. The challenge of the limited income generation alternatives and the marketing restrictions of the CCMA's services have resulted in a limited contribution of improving the organisation's financial situation.

During the 2022/23 financial year, the CCMA conducted its Organisational Strategy's Mid-Term Impact Assessment, which sought to assess the extent to which the organisation has progressed in its implementation of its five (5)-year Strategy. This assessment covered the performance attained against the outcome indicators from the first two (2) and a half years' of the *Imvuselelo - The Revival, the 2020/21-2024/25 Strategy*. The results of the Mid-Term Impact Assessment highlighted that the CCMA remains on track with its delivery on all outcome indicators as well as its realisation of the impact. In this regard, a total of 12 out of 15 (80%) outcome indicators have been achieved and exceeded in some instances. The CCMA is committed to navigating through the challenges experienced to ensure that the impact statement is achieved by the end of the current Strategy.

The impact of promoting effective dispute resolution in essential services has been moderate. There has, however, been a notable contribution by the Essential Services Committee (ESC) towards minimising the number of unnecessary strikes in essential services. The ESC, through its interventions, has managed to clarify several misconceptions and has changed the overall mindset of parties. Furthermore, the ESC has engaged stakeholders to make inputs on legislative changes, which has assisted in identifying gaps and ambiguity in current legislation. The aforementioned enabled the ESC to make inputs to the National Economic Development and Labour Council (NEDLAC) in reviewing the legislation and ensuring that there is certainty in the application of the law.



### 3.3. STRATEGIC RELATIONSHIPS

The CCMA continued to manage its existing mutually beneficial partnerships with like-minded organisations through joint project delivery, aimed at resource sharing and integration in pursuit of coordinated efforts in serving the labour market more efficiently. This included the renewal of the Memorandum of Understanding (MOU) with the ESC in line with the provisions of the Labour Relations Act, 1995 (Act No. 66 of 1995, as amended) (LRA).

During the 2022/23 financial year, the CCMA concluded a new partnership with the Conciliation Mediation & Arbitration Commission (CMAC) of Eswatini. The partnership with CMAC signifies the CCMA's commitment to collaborate with its Southern African Development Community (SADC) counterparts for the enhancement of the Alternative Dispute Resolution (ADR) framework on the continent. In another partnership, the CCMA and the Department of Employment and Labour (DEL) concluded an Implementation Protocol (IP) for the utilisation of Labour Centres at a Provincial level for selected CCMA processes and activities. The move will further enhance the CCMA's footprint and accessibility to its Users. Furthermore, the CCMA and the Commission for Employment Equity (CEE) finalised their MOU aimed at enhancing the implementation of the Employment Equity Act, 1998 (Act No. 55 of 1998) (EEA) and commenced with the implementation of an approved action plan.

### 3.4. CHALLENGES FACED BY THE BOARD

The CCMA continues to operate under conditions characterised by difficult financial circumstances and business constraints. The arbitration turnaround times are mostly contributed due to financial constraints - reducing the number of part-time Commissioners' days and placing undue pressure on full-time Commissioners (Regional Senior Commissioners who has other responsibilities).

### 3.5. THE STRATEGIC FOCUS OVER THE MEDIUM TO LONG-TERM PERIOD

The complexity of the South African labour market, characterised by multiple parties with competing interests, attributing potential for industrial action has been a challenge for the CCMA. The CCMA, however, remains

instrumental in promoting orderly and healthy labour relations in the South African labour market. There has been a notable change in the behaviour of trade unions that have a history of rivalry and are now working together towards a common goal of resolving disputes.

The 2023/24 financial year marks the fourth year of implementing the five (5)-year Strategy. The plan will continue to ensure that the CCMA delivers on its strategic focus and contribution to the Medium-Term Strategic Framework (MTSF). The CCMA's Governing Body is confident that through the 2023/24 Annual Performance Plan (APP), the strategic direction of the CCMA continues to be clear, and all efforts are geared towards carrying out the CCMA's mandate. Furthermore, the planned interventions will enable the CCMA to meet its commitments and plans for efficient and effective dispute management, prevention and resolution institution.

The trends suggest that labour market instability will affect some vulnerable sectors, such as the agricultural sector which is experiencing job shedding due to the economic fallout as brought on by load shedding blackouts, high inflation and growing inequality. The CCMA anticipates its caseload to grow in the 2023/24 financial year to 194 130.

### 3.6. ACKNOWLEDGEMENTS/APPRECIATION

The CCMA's mandate to ensure labour market stability is an essential component of economic transformation and job creation. I am confident that with the combined efforts of the executive leadership team, the CCMA's employees as well as the Governing Body, priority areas will be addressed, and the CCMA will continue along the path of becoming a world-class dispute institution.

To the CCMA's Users, strategic partners and stakeholders, thank you for your patience and partnership during the 2022/23 financial year. We remain ever resilient in delivering the mandate of the CCMA.

PROF. ENOS SENISE NGUTSHANE  
CHAIRPERSON OF THE GOVERNING BODY





## 4. THE CCMA'S GOVERNING BODY



**ENOS NGUTSHANE**  
CHAIRPERSON



**CAMERON SELLO MORAJANE**  
CCMA DIRECTOR  
*(Ex-officio)*



**KAIZER MOYANE**  
ORGANISED BUSINESS  
REPRESENTATIVE



**SIFISO LUKHELE**  
ORGANISED BUSINESS  
REPRESENTATIVE



**SIOBHAN LEYDEN**  
ORGANISED BUSINESS  
REPRESENTATIVE



**BHEKI NTSHALINTSHALI**  
ORGANISED LABOUR  
REPRESENTATIVE



**WISEMAN DINWA**  
ORGANISED LABOUR  
REPRESENTATIVE



**RIEFDAH AJAM**  
ORGANISED LABOUR  
REPRESENTATIVE



**CONNY MAMETJA**  
GOVERNMENT  
REPRESENTATIVE



**NTSOAKI MAMASHELA**  
GOVERNMENT  
REPRESENTATIVE



**THEMBINKOSI MKALIPI**  
GOVERNMENT  
REPRESENTATIVE



## 5. DIRECTOR'S OVERVIEW



Adv. Cameron Sello Morajane  
CCMA Director

### 5.1. GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The CCMA receives funding from the fiscus through grant transfers from the DEL. An increase of five-point two percent (5.2%) on the government grant compared to the previous year brought the total to R1.046 billion. The interest received from investment income amounted to R13.2 million. An income of R5.7 million was earned from services rendered. During the mid-term budget cycle, an upward adjustment of approximately three-point five percent (3.5%) was made to the budget, this includes the additional grant allocation and approved surplus rollover from NEDLAC. This adjustment was to ensure the CCMA spends within its budget to remain a going concern.

The National Treasury further considered and approved the cash surplus request that was allocated through NEDLAC in the previous financial year as follows:

R12 million for collaboration with the CCMA on projects to:

- Proactively address individual and collective disputes that arose in the workplace because of the COVID-19 Pandemic including in respect of unfair dismissals, mandatory vaccinations as well as retrenchments arising out of the subsequent economic downturn.
- Enforce awards arising out of the implementation of the National Minimum Wage which have been delayed because of the COVID-19 Pandemic and lockdown.

The CCMA maintained its going concern status through sound financial management, accounting systems and practices over the last fiscal year. The organisation continues to be in a financially healthy position with cash and cash equivalents being R140.6 million, which is equivalent to a 1.3:1 cash cover ratio and a liquidity ratio of 1.4:1 as at 31 March 2023. The net asset value is reported as R79.8 million, as at 31 March 2023.

### 5.2. SPENDING TRENDS OF THE PUBLIC ENTITY

The total expenditure of the CCMA increased by nine-point six percent (9.6%) compared to the previous financial year. Several factors have contributed to the increase in expenditure. For the financial year, an increase was seen on utilisation of part-time Commissioners as a result of the increase in allocation from NEDLAC, as well as inflation adjustments on certain goods and services.

Furthermore, the case disbursement increased by 27.3% in expenditure, from R181.3 million (2022) to R230.7 million (2023). An increase by four-point two percent (4.2%) on the compensation of employees from the previous year was realised, due to once off salary incentives to employees. Goods and Services increased by nine-point four percent (9.4%), the main contributing factor being variable administration costs as the services are consumed as and when required.





### **5.3. CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY**

During the 2022/23 financial year, procurement activities were halted. The impact was an inability to implement items on procurement plans during the financial year.

The Preferential Procurement Regulations of 2022 (PPR2022) became effective from 16 January 2023, and required that all organs of state include specific goals in their bids and preferential procurement policies aligned with the Broad-Based Black Economic Empowerment (B-BBEE) Act and the Reconstruction and Development Programme Goals of 1994. In response to the requirement, the CCMA updated the Supply Chain Management (SCM) policy to incorporate these specific goals.

### **5.4. DISCONTINUED KEY ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED**

The CCMA did not have any discontinued key activities during the 2022/23 financial year.

### **5.5. NEW OR PROPOSED KEY ACTIVITIES**

The CCMA did not introduce any new key activities during the 2022/23 financial year.

### **5.6. REQUESTS FOR ROLL-OVER OF FUNDS**

Subject to permission being granted by the National Treasury, an amount of R 36.1 million of the R 140.6 million cash and cash equivalent balance will be requested for the rollover and be utilised in the 2023/24 financial year to fund the reported short-term liabilities and commitments as recorded at 31 March 2023.

### **5.7. SUPPLY CHAIN MANAGEMENT**

The Supply Chain Management (SCM) of the CCMA is centralised at the Head Office and provides strategic support to the organisation in the acquisition of goods, works and services. The SCM has developed systems and procedures to ensure the procurement process is aligned with the requirements of Section 217 of the Constitution. Furthermore, the SCM function is governed by the provisions of the Public Finance Management

Act, 1999 (Act No. 1 of 1999) (PFMA), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and Treasury Regulations. The systems and procedures focus on managing the inter-dependent activities of demand, acquisition, inventory and contract administration.

The approved 2022/23 Procurement Plan was partially executed. Projects that could not be fully executed were rolled over to the 2023/24 financial year as most were non-responsive bids. Quarterly procurement progress reports were submitted to the National Treasury for the tender e-portal update as required by legislation. National Treasury issued PFMA (1999) instruction Note No. 3 of 2021/22 titled: Enhancing Compliance, Transparency and Accountability in SCM on 31 March 2022 which became effective from 1 April 2022. The provisions of this instruction were embedded in the SCM policy of the organisation. Furthermore, the Minister of Finance gazetted the revised Preferential Procurement Regulations of 2022 under the Preferential Procurement Policy Framework of the PPPFA (2000) on 4 November 2022, and these Regulations took effect on 16 January 2023. The purpose of the 2022 Regulations is to comply with Section 217 of the Constitution on procurement of goods and services by the organs of state, to comply with Section 2 of the PPPFA (2000), and the Constitutional Court judgement of February 2022, on the 2017 Regulations. The new 2022 Regulations require organs of state in the development of their procurement policies to also consider specific programmes stipulated in the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994 and provides for points to be awarded for specific goals. The revised policy aligned with the 2022 Regulations was approved by the Governing Body.

### **5.8. ALL CONCLUDED UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW**

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





### **5.9. WHETHER SUPPLY CHAIN MANAGEMENT PROCESSES AND SYSTEMS ARE IN PLACE**

The SCM function of the CCMA has approved Standard Operating Procedures and Policies used in day-to-day operations to ensure compliance with applicable regulations and legislations.

### **5.10. CHALLENGES EXPERIENCED AND HOW IT IS RESOLVED**

In recent times, poor economic growth, the COVID-19 Pandemic, civil unrest and floods have brought to bear further constraints on the budget. Comparison of the 2022/23 financial budget to the prior year indicates an increase of five-point two percent (5.2%). Despite experiencing these challenges, during the budget preparation process for the 2022/23 financial year, one (1) of the measures the CCMA enhanced to address the impact of budget reductions was to increase the number of pre-conciliations. This is in response to the continuous and expected increases in caseload of the organisation. Furthermore, the CCMA negotiated with suppliers for a reduction of contract costs on the essential contracts and embarked on the review of office space to reduce rental and related costs.

### **5.11. AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED**

The organisation maintained a clean administration in the 2022/23 financial year. The Board has reaffirmed its unwavering commitment to entrench continued good governance within the organisation. Audit findings raised by Internal and External Auditors are monitored for timely implementation of Management's corrective action plans.

### **5.12. OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES**

The additional funding of R95.6 million over the Medium-Term Expenditure Framework (MTEF) allocation was made available to the CCMA. The funding will be utilised to respond to the socio-economic challenges and impact of continuous increases in the CCMA'S caseload.

### **5.13. EVENTS AFTER THE REPORTING DATE**

The CCMA did not have any events after the reporting date.

### **5.14. ECONOMIC VIABILITY**

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

### **5.15. WORDS OF APPRECIATION**

I would like to thank the Portfolio Committee on Employment and Labour, the Honourable Minister, the Honourable Deputy Minister of Employment and Labour, the Director General (DG) of the DEL, the DEL entities, the CCMA Governing Body and Committees, social and strategic partners, for their leadership, guidance and support. I must express my deep gratitude to the Senior Management Team, Commissioners, the Commission Staff Association (CSA) and all employees for their unwavering support and dedication as they work under extraordinary times in order to execute their duties.

**ADV. CAMERON SELLO MORAJANE**  
**CCMA DIRECTOR**



## 6. THE CCMA'S EXECUTIVE MANAGEMENT COMMITTEE



**CAMERON SELLO MORAJANE**  
CCMA DIRECTOR



**MAPHUTI MABASO**  
ACTING CHIEF FINANCIAL OFFICER



**ANNAH MOKGADINYANE**  
EXECUTIVE GOVERNANCE  
AND STRATEGY



**NKOSIKHONA NKOSI**  
CHIEF INFORMATION OFFICER



**MTHEMBENI NCANANA**  
ACTING EXECUTIVE  
CORPORATE SERVICES



**BOITUMELO MOKOENA**  
ACTING NATIONAL SENIOR  
COMMISSIONER  
DISPUTE RESOLUTION



**ZANELE HLOPHE**  
CHIEF AUDIT EXECUTIVE  
INTERNAL AUDIT



## 7. THE CCMA'S PROVINCIAL SENIOR COMMISSIONERS



**BONGUMUSA KHUMALO**  
KWAZULU-NATAL



**ELIAS HLONGWANE**  
NORTH WEST



**LUCKY MOLOI**  
FREE STATE & NORTHERN  
CAPE



**MANDY COETZEE**  
EASTERN CAPE



**MORWA-MAPALE SETLAGO**  
LIMPOPO



**MPUMELELO NCONCO**  
GAUTENG



**VUSUMZI LANDU**  
WESTERN CAPE



**XOLANI NDUNA**  
MPUMALANGA



## 8. STATEMENT OF RESPONSIBILITY

The Governing Body is required by the PFMA to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements (AFS) and related financial information included in this report. It is the responsibility of the Governing Body to ensure that the financial statements fairly present the state of affairs of the CCMA as at the end of the reporting period and the results of its operations and cash flows for the period then ended.

The AFS have been prepared in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

The AFS are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Governing Body has reviewed the CCMA's cash flow forecast for the period to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the CCMA has access to adequate resources to continue in operational existence for the foreseeable future.

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

The AFS set out on page 128 to 189, which have been prepared on the going concern basis, were approved by the Governing Body on 27 July 2023.

Yours faithfully



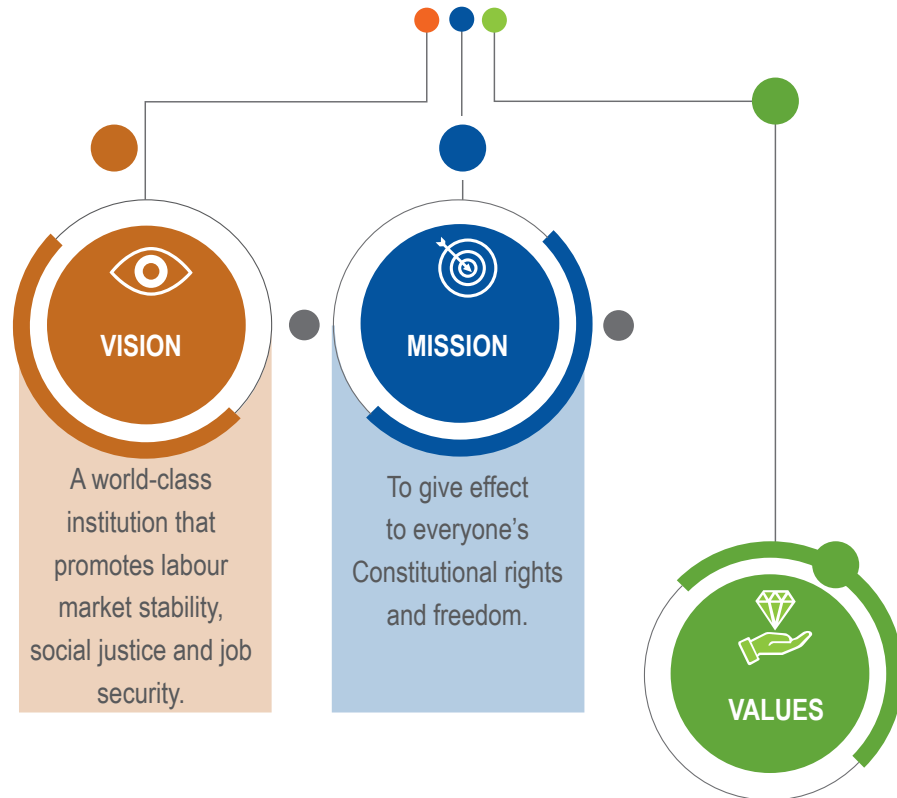
**ADV. CAMERON SELLO MORAJANE**  
CCMA DIRECTOR



**PROF. ENOS SENISE NGUTSHANE**  
CHAIRPERSON OF THE GOVERNING BODY



## 9. STRATEGIC OVERVIEW









**VISION**

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

**MISSION**

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

**VALUES**

VALUES	OPERATING PRINCIPLES
 <b>Respect</b>	<ul style="list-style-type: none"> <li>In the execution of our duties, to act with respect for all, valuing those whom we serve and those whom we work with.</li> </ul>
 <b>Excellence</b>	<ul style="list-style-type: none"> <li>We continuously do our best in delivering on our mandate and in service to our people, executing our duties with a sense of urgency, professionalism and world-class quality.</li> </ul>
 <b>Accountability</b>	<ul style="list-style-type: none"> <li>We hold ourselves responsible for our actions and the outcomes of our work.</li> <li>In being accountable, we are committed to each other and all we do and take responsibility for our actions and our performance.</li> </ul>
 <b>Diversity</b>	<ul style="list-style-type: none"> <li>By embracing diversity and inclusivity, we learn from each other daily, while sharing and celebrating who we are and what we do. We embrace inclusivity and celebrate the differences of our people.</li> </ul>
 <b>Integrity</b>	<ul style="list-style-type: none"> <li>We act impartially without fear, favour or prejudice, objectively balancing the diverse needs of social partners, being honest and ethical in all we do, doing the right thing, even when no one is looking.</li> </ul>
 <b>Transparency</b>	<ul style="list-style-type: none"> <li>We work in a manner that is open, fair and transparent.</li> <li>Guided by our statutory obligations and commitment, we are open in our dealings with everyone we serve.</li> </ul>





## 10. LEGISLATIVE AND OTHER MANDATES

The CCMA's legislative mandate is derived principally from Section 23 of the Constitution of the Republic of South Africa (1996) and the LRA (1995, as amended). The CCMA's mandate is derived from the purpose of the LRA (1995, as amended), which is to advance economic development, social justice, labour peace and the democratisation of the workplace.

Section 115(1) of the LRA (1995, as amended) identifies the mandatory functions of the CCMA as follows:

- Conciliate disputes referred to it in terms of labour statutes.
- Arbitrate certain categories of disputes that remain unresolved after conciliation.
- Facilitate consultations regarding large-scale dismissals due to operational requirements.
- Conduct inquiries by Arbitrators.
- Establish picketing rules.
- Determine disputes about demarcation between sectors and areas.
- Facilitate the establishment of workplace forums and statutory councils.
- Compile and publish information and statistics about its activities.
- Review any rules made in terms of Section 115 of the LRA (1995, as amended).
- Consider applications for accreditation and subsidy by bargaining councils and private agencies.
- Administer the ESC.

The CCMA's discretionary functions are set out in Section 115(2), (2A) and (3) of the LRA (1995, as amended) and serve to enhance delivery of the CCMA's mandate which include but are not limited to the following:

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

The CCMA additionally derives its mandate from specific provisions of the EEA (1998). Chapter 2 prohibits unfair discrimination and, in particular, Section 10, subsection (5) and (6) (a) and (b) of the EEA identifies the functions that the CCMA is required to perform as follows:

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

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





## 11. ORGANISATIONAL MACRO-STRUCTURE

The CCMA's organisational macro-structure as at 2022/23 financial year is hereunder presented:

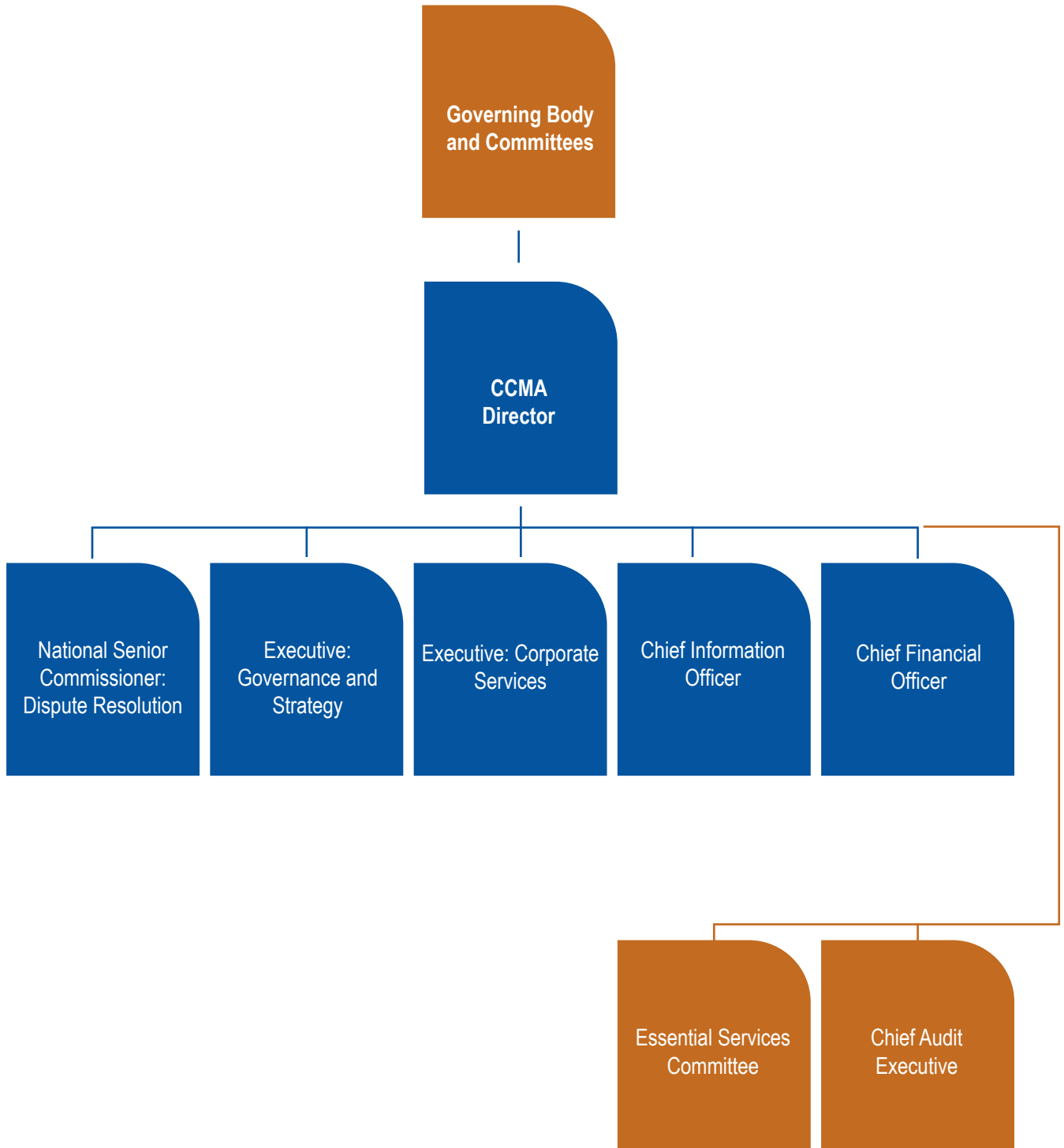


FIGURE 1: THE CCMA's ORGANISATIONAL MACRO-STRUCTURE





**PART B:**  
**PERFORMANCE**  
**INFORMATION**

FOX 12  
127



## 1. AUDITOR’S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the predetermined objectives heading in the Report on other legal and regulatory requirements section of the Auditor’s Report. Refer to page 121 of the Report of the Auditor’s Report, published as Part F: Financial Information.

## 2. OVERVIEW OF CCMA’S PERFORMANCE

### 2.1. SERVICE DELIVERY ENVIRONMENT

The CCMA continues to experience budget constraints due to the government’s fiscal challenges. This meant that the financial resources of the CCMA are no longer sufficient to meet operational demands. Despite the challenges, the CCMA rose to the occasion and continued to deliver impressive results in the 2022/23 financial year.

During the 2022/23 financial year, the South African labour market experienced major strikes at Sibanye Stillwater Gold operations; Public Utility Transport Corporation (PUTCO), ArcelorMittal; and Transnet. Through our sustained effort to stabilise the labour market, public interest matters (Section 150) interventions were successfully conducted to bring an end to the strikes. The unity between unions during the Sibanye Stillwater strike averted the violence that historically mars strikes in the mining sector. The rate at which resolution of these labour disputes was achieved was impacted by trust issues between parties. This is an indication that the CCMA still has significant strides to make in bridging the gap between labour and business which tends to widen during wage negotiations. Despite the challenges, the proven capacity of CCMA mediators led to the conclusion of a three (3)-year collective agreements for Sibanye Stillwater and Transnet respectively.

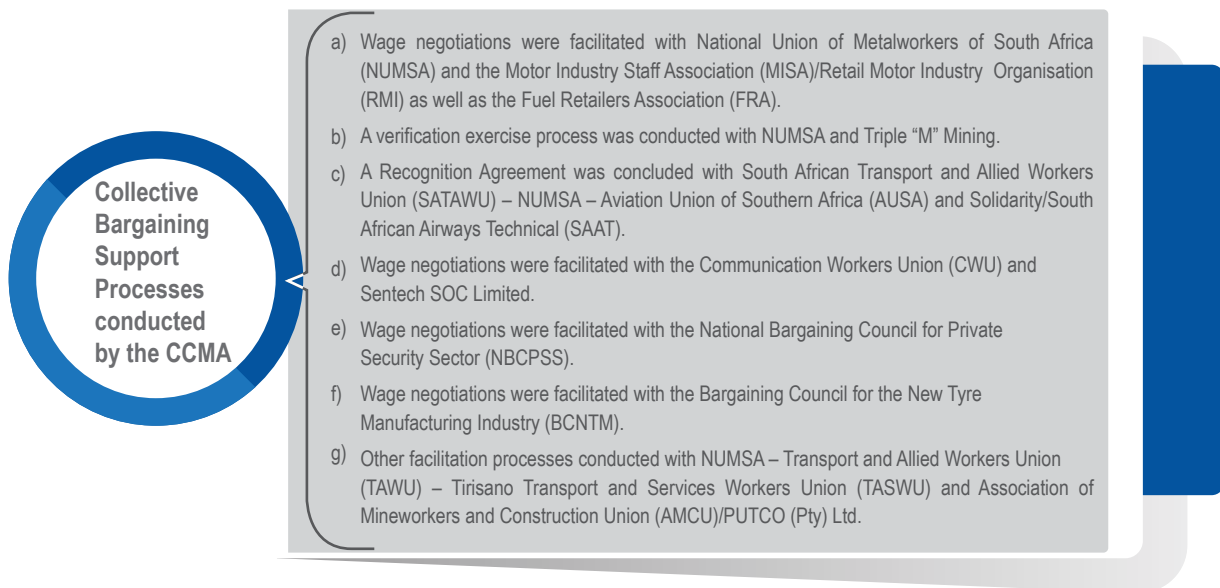
The Proactive Collective Bargaining Support Processes positively contributed to the following:



FIGURE 2: PROACTIVE COLLECTIVE BARGAINING SUPPORT PROCESSES



The CCMA conducted Collective Bargaining Support Processes (CBSP) across various sectors as follows:



*FIGURE 3: COLLECTIVE BARGAINING SUPPORT PROCESSES CONDUCTED BY THE CCMA*

The value of proactive interventions remains critical in the face of a suppressed economy and a high unemployment rate. Through proactive interventions, the CCMA still remains a strategic role player in minimising the incidence of labour disputes that lead to strikes. The CCMA remains relevant in its contribution to the efforts of the State to attract investment.

During the 2022/23 financial year, the CCMA identified and engaged with workplaces across the Republic of South Africa. The identified workplaces were regarded as high referring workplaces in their respective sectors for the Transformation of Workplace Relations Projects. These workplaces were identified through User trends analysis exercises that were conducted across eight (8) provinces. Based on the feedback received, the project plans and the associated interventions delivered contributed to the transformation and enhanced mutually beneficial workplace relations in the respective workplaces.

Nevertheless, the establishment and operationalisation of the NBCPSS may have a direct impact on the outcomes of the CCMA's strategy, as it would reduce the contribution of targeted vulnerable sectors, the CCMA ensured that the target is maximised.

In our endeavour to continuously achieve the intended impact through our interaction with Users, stakeholders, social partners and the public in general, the CCMA has continued to utilise its limited resources in the most effective and efficient manner. The organisation has consistently assessed and recorded the User satisfaction ratings of all the beneficiaries who attended its capacity-building and problem-solving interventions during the financial year under review.

As part of our efforts to increase access to, and knowledge of the CCMA services, for vulnerable sectors in particular, the CCMA embarked on an advocacy campaign to raise awareness around the CCMA services and its processes.

As part of the Presidential Jobs Summit Framework Agreement, the CCMA in conjunction with Business Unity South Africa (BUSA) launched free-to-use CCMA/BUSA SME Labour Advice Web Tool for Small Businesses. During the 2022/23 financial year, 42 091 Users accessed the CCMA/BUSA Web Tool, of which 41 923 were new Users (*Source: Google Analytics <https://analytics.google.com>*).



The CCMA has continued to work closely with the Department of Trade, Industry and Competition (DTIC), Unemployment Insurance Fund (UIF) and Productivity South Africa where possible to save jobs and support businesses before closure and retrenchments are contemplated.

The CCMA experienced a high volume of referrals attributed to the termination of the state of disaster in respect of the COVID-19 Pandemic, loadshedding impact on businesses as well as the deterioration of the economy. During the 2022/23 financial year, the CCMA recorded a total of 184 075 case referrals which represents an increase of 27 298 compared to 156 777 case referrals received during the 2021/22 financial year. The total number of National Minimum Wage Act (NMWA) and BCEA referrals (excluding severance pay) were recorded at 48 009 referrals compared to a total of 33 571 referrals received during the 2021/22 financial year. The total number of referrals received that were COVID-19 related (excluding mandatory vaccination cases) was recorded at 191.

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

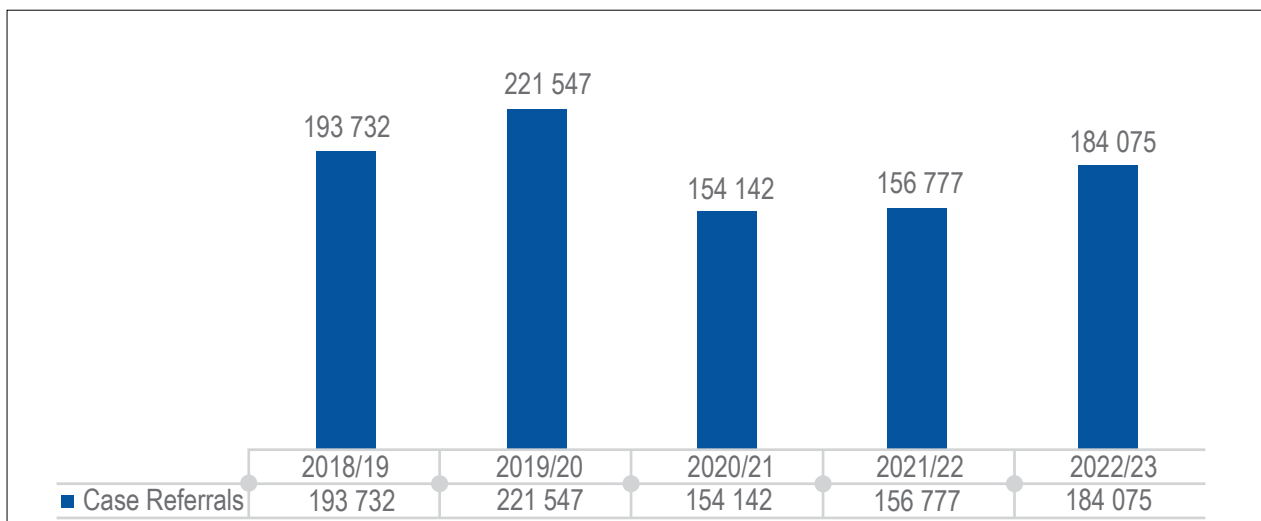


FIGURE 4: FIVE (5)-YEAR CASE REFERRAL COMPARISON

The figure below illustrates the breakdown of the top eight (8) referring sectors for the 2021/22 and 2022/23 financial years.

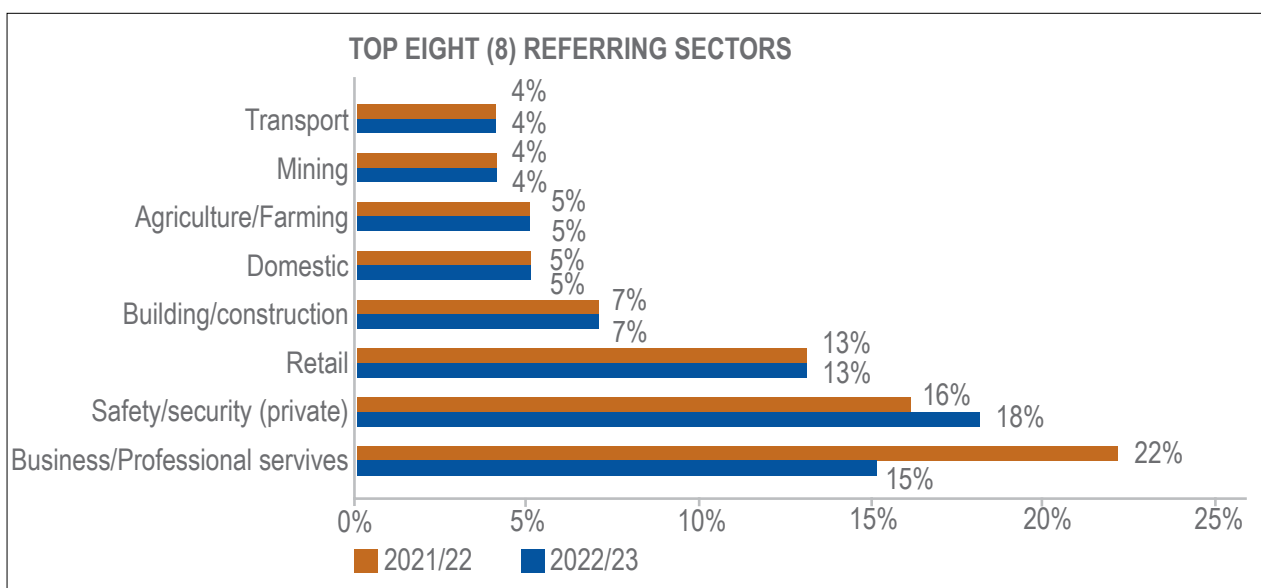


FIGURE 5: BREAKDOWN OF THE TOP EIGHT (8) REFERRING SECTORS FOR THE 2021/22 AND 2022/23 FINANCIAL YEARS



The CCMA experienced a decline in the number of small-scale (Section 189) and large-scale (Section 189A) retrenchment referrals. Although there is no tangible evidence of the real reasons for the decline, it appears that it may have been as a result of major retrenchments that were carried out in the 2020/21 financial year. The 2020/21 labour market challenges forced a considerable number of business closures and consequently, retrenchments. The decline is a positive sign that remaining businesses are beginning to show signs of stability and sustainability. However, the impact of job losses, no matter how minimal, remains a serious challenge for the labour market.

The CCMA's dedicated focus on its job saving strategy has consistently presented commendable job saving successes. To this end, the CCMA would not have achieved its job saving target without the commitment and dedication of job saving champions comprising of CCMA Section 189A Facilitators and Stakeholders. The highest number of job losses were recorded in the Mining, Retail and Building/Construction sectors.

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

**TABLE 1: SELECTED HIGH-PROFILE SECTION 189A MATTERS**

SECTOR	PARTIES	EMPLOYEES LIKELY TO BE RETRENCHED	TOTAL RETRENCHMENT	JOBS SAVED
Banking	South African Society of Bank Officials (SASBO) obo Members and Non-Unionised Employees and Bidvest Bank Ltd	121	95	26
Contract cleaning	SATAWU - National Association of South Africa (NASA) – HOTELICGA - Wood Electrical Printing Union (WEPU) - Professional Transport and Allied Workers Union of South Africa (PTAWU) - NUMSA and Non-Unionised Employees and Bidvest Prestige (Pty) Ltd	300	199	101
Metal	NUMSA - Solidarity and South African Commercial Catering and Allied Workers Union (SACCAWU) obo Members and Nampak Product (Pty) Ltd	210	64	146
Mining	AMCU and National Union of Mineworkers (NUM) obo Members and Fraser Alexander (Pty) Ltd	1 882	0	1 882
Mining	AMCU and NUM obo Members and Sibanye Gold (Pty) Ltd	1 856	720	1 136
Retail	South African Commercial Catering and Allied Workers Union SACCAWU obo Members obo Members and Mass Discounters t/a Game and Dion Wired Stores	473	123	350
Retail	NUMSA - SACCAWU and Solidarity obo Members/ElliesElectronics (Pty) Limited	113	110	3



SECTOR	PARTIES	EMPLOYEES LIKELY TO BE RETRENCHED	TOTAL RETRENCHMENT	JOBS SAVED
Road Freight	Motor Transport Workers Union (MTWU) & SASBO obo Members and SBV Services (Pty) Ltd	407	18	389
Transport	NUMSA – SATAWU - Pearson Teachers Union (PTU) - National Transport Movement (NTM) & MTWU obo Members/Crossroads	200	7	193
Tyre	NUMSA-MISA and South African Chemical Workers Union (SACWU) obo Members and TrenTyre South African (Pty) Ltd	950	950	0
<b>TOTAL</b>		<b>6 512</b>	<b>2 286</b>	<b>4 226</b>

The decline in Section 189A applications should be read in context with the number of employees likely to be retrenched. It is worth noting that the number of employees who were likely to face retrenchment in the previous financial year has declined by 24% whilst the number of Section 189A applications also declined by approximately 10.16%, this is indicative of business recovery and stability. Unfortunately, these positive results may be short-lived due to the impact loadshedding has on business operations.

The CCMA across provinces ensured ongoing support to stakeholders through active monitoring of unresolved mutual interest disputes and made appropriate offers of assistance in terms of Section 150 of the LRA (1995, as amended). During the 2022/23 financial year, the CCMA participated in various high-profile wage disputes. Selected highlights are cited below:

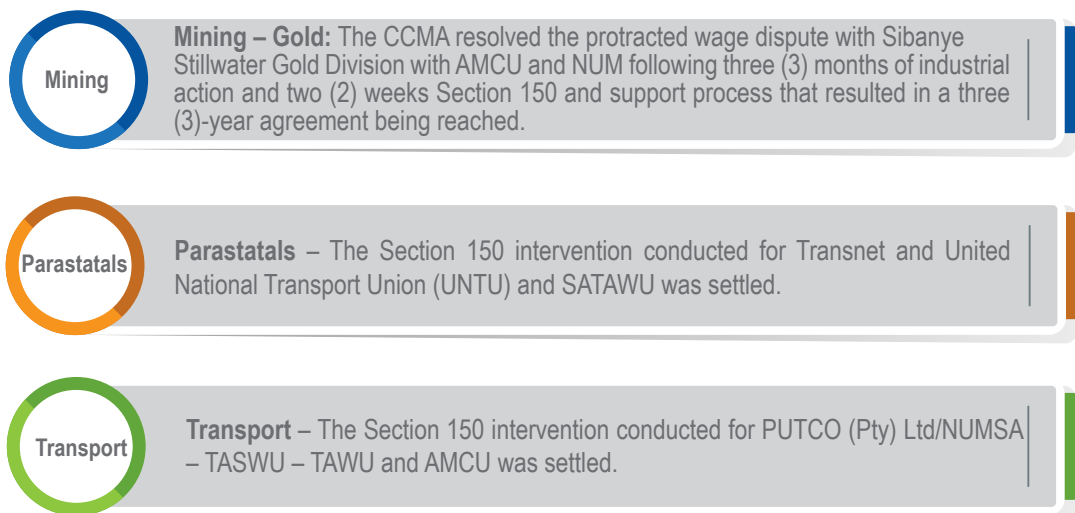


FIGURE 6: SELECTED HIGH-PROFILE WAGE DISPUTES

Wage settlement trends across various sectors ranged between five-point five percent (5.5%) and seven percent (7%) with an average wage increase of six-point two percent (6.2%). The highest wage increase was noted in the Manufacturing, Mining and Quarrying sectors which also recorded the highest minimum wage.

The bargaining councils play an integral role in industry sustainability and employment security by serving their members interests through their management and implementation of industry-wide negotiations and agreements. The CCMA





oversees the management and support of the accreditation processes of bargaining councils and private agencies by ensuring proper monitoring and evaluation of their dispute resolution performance, and subsidy payment management and ensuring that stakeholder relations are maintained.

The CCMA also monitored and provided process support on industry/sector wage negotiations through collective bargaining support processes on the state of the industry, relationship building and any other matters that may arise. The CCMA conducts regular meetings with bargaining councils to establish their dispute resolution capability in line with their registration and accreditation requirements. The CCMA continued to work closely to support accredited bargaining councils and private agencies.

During the 2022/23 financial year, the CCMA convened its Annual Bargaining Council Forum with all accredited bargaining councils to address accreditation matters, strengthen and maintain stakeholder relationships, identify, and address challenges faced by bargaining councils in terms of accreditation, operations, and collective bargaining.

The ESC is established in terms of Section 70 of the LRA (1995, as amended), with its broader mandate being the investigation and designation of essential services. The ESC, in delivering on this mandate, assists parties in essential services to conclude Minimum Service Agreements (MSAs) and where parties do not, determine the minimums to be maintained during industrial action. The ESC also monitors compliance with the designations and minimums that are to be maintained during strikes, including promoting effective dispute resolution in essential services.

Section 70B(1)(b) of the LRA (1995, as amended) provides that the powers and functions of the ESC are to promote effective dispute resolution in essential services. During the 2022/23 financial year, the ESC engaged the entities and the organised unions to ascertain the effectiveness of the dispute resolution mechanisms in place. During the interventions, it became clear that some of the causes of industrial action are weaknesses in collective bargaining and internal dispute resolution mechanisms. The parties seem to have more confidence in external institutions resolving their disputes than resolving such disputes internally. There is a need to strengthen internal dispute resolution and assist the parties in rebuilding the trust between them. The ESC, in partnership with the Dispute Resolution Department, assisted the parties and yielded positive results.

As also reported in the previous financial year, the essential services are attaining significant motion in South African Labour Law. The ESC engaged with NEDLAC and various stakeholders to draft proposed amendments to the relevant sections in the LRA (1995, as amended).

As part of its statutory obligations, the ESC is obliged to monitor the implementation and observance of essential services designations, MSAs, Minimum Service Determinations (MSDs) and/or Maintenance Service Determinations for compliance and observance. The purpose of the monitoring and evaluation exercise is to ensure that the parties understand that they operate in essential services and that the services in question cannot be interrupted as such interruption might endanger the life, personal safety or health of the whole or any part of the population. During the 2022/23 financial year, the ESC conducted monitoring and evaluation exercises in local government, public health, old age homes and other institutions. From the monitoring and evaluation exercises conducted, there appears to be non-compliance of essential services designations from the public service which needs to be addressed to ensure compliance. The ESC also engaged with various stakeholders to increase awareness of essential service designations.

Despite the efforts of the ESC, the slow pace of concluding MSAs in the public service came to a head during the public service strike. The fact that some of the essential services workers in the public service went on strike, and thus endangered the lives, personal safety and health of the population remains a concern for the ESC. The ESC believes that more should be done by the respective authorities to enforce compliance with essential services laws and prescripts.



## 2.2. ORGANISATIONAL ENVIRONMENT

The CCMA's budget is no longer sufficient to adequately deliver on its statutory mandate. This resulted in a reduced allocation of days to part-time Commissioners which negatively impacted turnaround times and implementation of a range of Information and Communication Technology (ICT) projects such as infrastructure refresh and Wi-Fi rollout to CCMA provincial offices.

The CCMA started the journey of moving its systems into cloud as part of the remediation against aging ICT infrastructure guided by government's Cloud First undertaking. This has allowed the CCMA to replace servers that had reached their end of life while not having to forego huge upfront capital expenditure and still ensuring that critical systems are housed in state-of-the-art infrastructure. This development has remedied the increased risk of system outages as a result of unsupported infrastructure which could have negatively impacted service delivery. The work of digitising the whole value chain of case disbursement has begun in earnest, preparing the organisation to move to a digital case file to replace the current paper-based file.

## 2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

### 2.3.1. NATIONAL MINIMUM WAGE ACT, 2018 (ACT NO. 9 OF 2018) (NMWA)

In accordance with the requirements of Section 6(5) of the Act, the Minister published the adjusted National Minimum Wage (NMW) rates in Government Gazette No. 3069 on 21 February 2023, increasing the rates in excess of the National Minimum Wage Commission's recommendation, as follows:

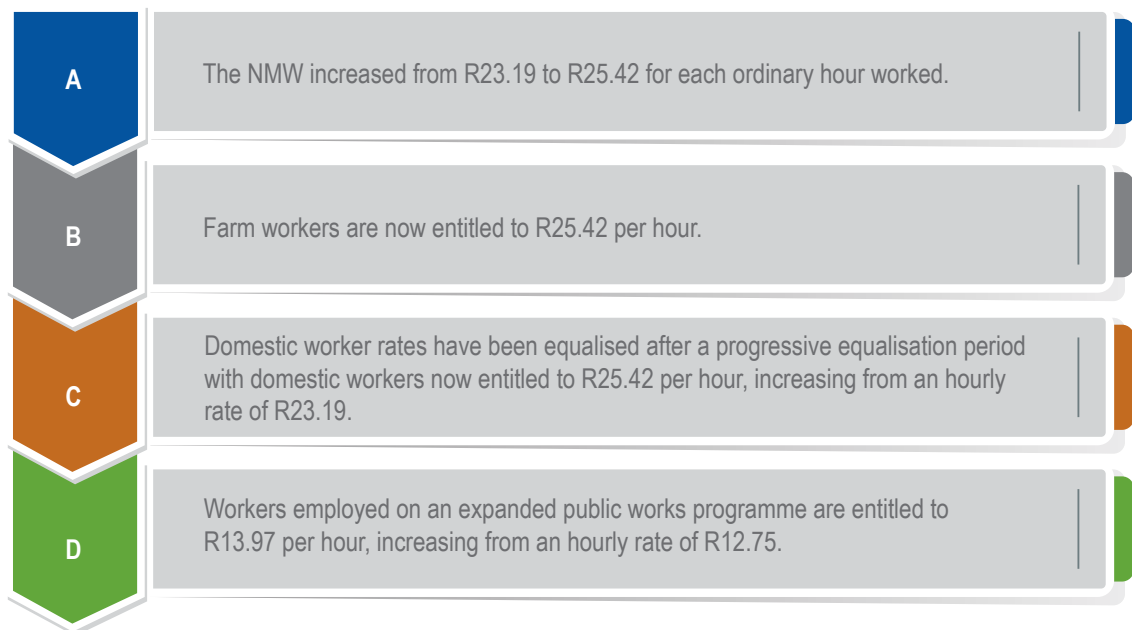


FIGURE 7: NATIONAL MINIMUM WAGE RATES

Schedule 2 of the Act, which pertains to the minimum learnership allowance for workers who have concluded learnership agreements contemplated in Section 17 of the Skills Development Act, 1998 (Act No. 97 of 1998) (SDA), has been amended. The minimum weekly allowance for a learner is entitled to be based on the National Qualification Framework (NQF) level of the learner and these allowances have now been increased and will therefore impact the cost of learnership agreements.

The BCEA annual earnings threshold increased from an amount of R224 080.48 to R241 110.59 per annum. The earnings threshold will impact on the application of provisions of the BCEA (1997), LRA (1995, as amended) and the EEA (1998).



## 2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The CCMA produced a Mid-Term Impact Assessment Report in line with several policy provisions. The Mid-Term Impact Assessment covered the progress made during the CCMA's first two (2) and half years' implementation of the outcome indicators and five (5)-year targets as set out in the 2020/21-2024/25 Strategy. The results in the Mid-Term Impact Assessment highlighted that the CCMA remains on track with its delivery on all outcome indicators as well as its realisation of the impact. In this regard, a total of 12 out of 15 (80%) outcome indicators have been achieved and exceeded in some instances. Overall, the majority of the interventions delivered by the CCMA over the last two and half years are realising the intended results in the South African labour market. The CCMA commits to navigating through the numerous challenges experienced in order to ensure that the impact statement is achieved by the end of the current five (5)-year Strategy.

## 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 3.1. PROGRAMME ONE (1): ADMINISTRATION

TABLE 2: PROGRAMME ONE (1): ADMINISTRATION

PROGRAMME ONE (1)	ADMINISTRATION
<p>The CCMA aims to successfully deliver on its objectives through a cohesive, well-structured organisation, in which people, processes and systems perform optimally. As a publicly accountable entity, the focus will continue to be a clean administration and resources optimisation. The focus is on the development of human and organisational capacity towards building a world-class institution. This requires a series of strategic human resource interventions aimed at attracting, developing and retaining talent. By its very nature, the CCMA is an information-intensive organisation, requiring a strong, reliable and integrated Information Management System, underpinned by the best in range ICT platforms, leveraging on opportunities presented by the Fourth Industrial Revolution (4IR) to sustain a high performing institution.</p>	
<ul style="list-style-type: none"> <li>• Enhanced financial viability for organisational sustainability</li> <li>• Improved employee turn-over rate</li> <li>• Improved ICT service quality</li> </ul>	

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

The CCMA introduced a case recording repository known as the “eServices Portal”, which will be used for the purposes of uploading, storing and retrieving recordings done using portable digital recorders. This newly-created platform replaces platforms like DropBox, WeTransfer, FileGooi, etc. thus enabling the CCMA to have one universal and standardised platform for audio file storing and sharing. The ICT embarked on a parallel process to configure the Microsoft Teams' advanced features to augment the current decentralised Call Centre portion as a way of in-sourcing a contact centre solution. Microsoft Power Business Intelligence (BI) is being used to generate activity contact centre reports.

The ICT has rolled out a technology known as Software Defined Wide Area Network (SDWAN) which ensures the central manageability, reduced costs and improvement in connectivity across all CCMA offices nationally thus minimising network downtime.

As part of the adoption of cloud-first technologies, the CCMA has onboarded a significant number of servers into the Microsoft Azure cloud services under the Infrastructure as a Service offering. Some services such as Application and Virtual Private Network (VPN) Gateways have been rolled out under the Platform as a Service banner.





The CCMA has continued to enhance its delivery capability using electronic processes. The electronic processes that enabled the CCMA to work mostly remotely during the COVID-19 Pandemic and associated lockdowns allowed the CCMA to continue to deliver through a hybrid working model. The need for sustainable institutional effectiveness cannot be underestimated and for this to gain traction, the CCMA needs to be having visibility to the right and reliable information so that the management team can make informed decisions. On the backdrop of that, ICT rolled out an automated reporting portal to all bargaining councils using the CCMA Case Management System, as a successor to the traditional reporting tool using Microsoft Power BI.

The Human Resources Strategy was approved by the Governing Body and has been communicated to CCMA employees. This requires a series of strategic human resource interventions aimed at attracting, developing and retaining talent. During the 2022/23 financial year, the CCMA implemented 153.13% (49/32) of the Human Resources Management Plan which contributed to an improved employee turnover rate. The resourcing of the organisation continued to be the primary focus, considering the organisation's fiscal challenges. Talent management is an activity that spans across all components of the human resources value chain and includes recruitment and internal appointments, acting appointments, performance management as well as development interventions.



**TABLE 3: PERFORMANCE OF PROGRAMME ONE (1): ADMINISTRATION 2022/23 APP**

Programme/Sub-programme: Administration									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
1.1 Enhanced financial viability for organisational sustainability	1.1.1. Sustainable and well-resourced organisation	1.1.1.1. Percentage of net surplus achieved by 31 March 2023	1.99% (1 905 579 455/955 260 913)	3.7% (980 317 614/1 018 05 958)	1%	1%	0%	N/A	
		1.1.1.2. Ratio of safety to cash margin achieved by 31 March 2023	0.89:1 (69 367 452/77 643 891)	1.24:1 (141 585 473/113 776 885)	1:1	1.3:1	0.3:0	Overachievement on this indicator is due to reduced expenditure on administration and operating expenses.	
1.2 Improved employee turn-over rate	1.2.1 Improved Human Resource Management	1.2.1.1 Percentage of Human Resources Plan implemented by 31 March 2023	195% (183/94)	155% (123/79)	100%	153.13% (49/32)	53.13%	Overachievement was recorded on the wellness activities due to the poor state of wellness of employees following the COVID-19 Pandemic. In addition, overachievement was recorded on the OHS meetings and trainings due to increased non-compliant offices and the need to increase inspections to identify risk areas.	



Programme/Sub-programme: Administration									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
1.3. Improved ICT service quality	1.3.1. Improved efficiencies	1.3.1.1. Number of ICT projects on automation and integration of case disbursement (Dispute resolution processes) deployed by 31 March 2023	25% (3/12)	50% (6/12)	3	3	0	N/A	
		1.3.1.2. Percentage of uptime ICT critical systems implemented	87% (7 570/8 674)	97.34% (8 527/8 760)	95%	99.39% (8 697/8 751)	4.39%	Overachievement on this target is due to the migration of systems to new servers that has minimised the system downtime of applications including MS Teams, Case Management System (CMS), SAGE and emails.	



### 3.1.2. STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

There was no underperformance registered for this programme.

### 3.1.3. LINKING PERFORMANCE WITH BUDGETS

TABLE 4: PROGRAMME ONE (1): ADMINISTRATION: LINKING PERFORMANCE WITH BUDGETS

Programme/activity/ objective	2022/23			2021/22		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME ONE (1)	258 858	251 150	7 708	218 077	211 885	6 192
Total	258 858	251 150	7 708	218 077	211 885	6 192





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

TABLE 5: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION

PROGRAMME TWO (2)	PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION
PROGRAMME PURPOSE	Through the implementation of the Dispute Management and Prevention Strategy and Programme to transform and build relations and capacity in the workplace. Respond appropriately and timeously to labour market developments through focused proactive and reactive labour market interventions for successful dispute prevention and management and workplace transformation whilst promoting and supporting dialogue, democratisation, best employment practices and relationship building in the workplace.
INSTITUTIONAL OUTCOMES	<ul style="list-style-type: none"> <li>• Enhance dispute management and prevention</li> <li>• Improved workplace relations</li> <li>• Effective essential services dispute management, prevention and resolution</li> </ul>

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

During the 2022/23 financial year, the CCMA identified and engaged nine (9) workplaces regarded as high referring workplaces in their respective sectors for the transformation of workplace relations projects. Furthermore, 10 vulnerable sector projects were conceptualised and implemented in the five (5) targeted vulnerable sectors, namely: Agriculture, Domestic, Retail, Private Security and Mining.

The CCMA has consistently assessed the User-satisfaction ratings from the beneficiaries to measure the impact of the capacity-building and problem-solving interventions conducted.

To improve and promote dispute resolution in essential services, the ESC conducted 12 interventions to promote effective dispute resolution, engaged four (4) stakeholders to make inputs on legislative changes and 130 entities to ensure that there are minimums to be maintained during industrial action in essential services. A total of eight (8) essential service designations, MSAs, MSDs and/or Maintenance Service Determinations were monitored for implementation and observance. The ESC conducted 15 sessions with various stakeholders to create awareness of essential service designations.





**TABLE 6: PERFORMANCE OF PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION - 2022/23 APP**

Programme/Sub-programme: Proactive and relevant labour market intervention								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
2.1. Enhanced dispute prevention and workplace outreach interventions	2.1.1. Orderly Collective Bargaining Processes	2.1.1.1. Number of Collective Bargaining Support Processes conducted for strategically identified Users per annum	8	8	6	7	1	Overachievement on this indicator is attributed to an increased demand and uptake of the CCMA collective bargaining support services.
		2.1.1.2. Number of Collective Bargaining Pre-Bargaining Conferences conducted for strategically identified Users per annum	3	5	3	3	0	



Programme/Sub-programme: Proactive and relevant labour market intervention									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
2.2. Improved workplace relations	2.2.1. Engaged workplaces	2.2.1.1. Number of targeted workplaces engaged to implement transformation of workplace relations project(s) per annum	12	9	8	9	1	Overachievement on this indicator is attributed to the fact that the Eastern Cape Province signed on an additional project plan to mitigate the possibility that the other project may be cancelled.	
		2.2.1.2. Number of vulnerable sector projects delivered to targeted Users per annum	13	8	8	10	2	Overachievement on this target is attributed to the fact that the Limpopo and Gauteng provinces signed on additional project plans (one each) to mitigate the possibility of cancellation of their other respective project plans.	

Programme/Sub-programme: Proactive and relevant labour market intervention								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
2.2. Improved workplace relations	2.2.1. Engaged workplaces	2.2.1.3. Percentage of positive rating on participant evaluation outcomes attained per annum	0% (0)	99.79% (8 257/8 292)	70%	40.79% (4 907/12 030)	-29.21%	Underachievement is due to the elimination of incomplete and defective evaluation forms from the total number of evaluation forms completed of 12 030. The numerator consists of the number of Participant Evaluation forms which were fully completed with positive rating. The revision of the Participant Evaluation form and guidelines for the assessment of output indicator 2.2.1.3 will be done and implemented in the 2023/24 financial year. Guidance will be provided to the participants on how to properly complete the forms.



Programme/Sub-programme: Proactive and relevant labour market intervention								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
2.3. Effective dispute resolution mechanism in essential services	2.3.1. Improved essential services dispute resolution	2.3.1.1. Number of interventions conducted to promote effective dispute resolution in essential services per annum	15	10	12	12	0	N/A
		2.3.1.2. Number of stakeholders engaged to make inputs on legislative changes per annum	5	4	4	4	0	N/A
		2.3.1.3. Number of entities engaged to ensure that are minimums to be maintained during industrial action in essential services per annum	133	107	106	130	24	Overachievement on this indicator is due to the ESC receiving requests from entities rendering essential services to conduct Minimum Service Agreement (MSA) facilitations in order to ensure that they have MSAs in place in the event of a strike.



Programme/Sub-programme: Proactive and relevant labour market intervention								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
		2.3.1.4. Number of Essential Services Designations, minimum Services Agreements, Minimum Service Determinations and/or Maintenance Services Determinations monitored for implementation and observance per annum	11	7	8	8	0	N/A



Programme/Sub-programme: Proactive and relevant labour market intervention								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
		2.3.1.5. Number of awareness sessions on essential services designation conducted per annum	16	12	14	15	1	Over-achievement in this indicator is due to a request received from Eastern Cape Department of Health Emergency Medical Services (EMS) Workshop, which was not planned for, but the ESC Chairperson was invited to participate in the workshop in creating awareness of essential service designations. Given the previous strikes in EMS, it was also important for the ESC to use the opportunity.

### 3.2.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The revision of the participant evaluation form and guidelines for the assessment of output indicator 2.2.1.3 will be done and implemented in the 2023/24 financial year. Guidance will be provided to the participants on how to properly complete the forms.

### 3.2.3. LINKING PERFORMANCE WITH BUDGETS

**TABLE 7: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION: LINKING PERFORMANCE WITH BUDGET**

Programme/Activity/ Objective	2022/23			2021/22		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME TWO (2)	14 702	13 203	1 499	12 738	12 591	147
Total	14 702	13 203	1 499	12 738	12 591	147





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

TABLE 8: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

PROGRAMME THREE (3)	SPECIAL INTERVENTIONS AND SUPPORT
PROGRAMME PURPOSE	The CCMA/BUSA Web Tool forms part of the Presidential Job Summit Framework Agreement of 4 October 2018. The project emanated from a BUSA study conducted in 2015/16, which showed that small businesses were in need of guidance in respect of labour relations and that this was a key impediment to their formalisation and willingness to employ people. The free-to-use SME Labour Support Web Tool provides dedicated guidance to smaller businesses on labour relations processes and matters.
INSTITUTIONAL OUTCOMES	<ul style="list-style-type: none"> <li>Effective support to Presidential projects</li> </ul>

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

The CCMA continued to effectively support the Presidential projects by implementing 111.54% (29/26) of Phase Three (3) of the CCMA/BUSA Web Tool project. This was due to additional statutory resource material that was uploaded to the Web Tool i.e., the amendments to the BCEA (1997) threshold and to Schedule one (1) of the NMWA, as well as the new Code of Good Practice on Protest Action to Promote or Defend Socio-economic Interests of Workers.

During the 2022/23 financial year, the CCMA received a total of 47 Temporary Employer/Employee Relief Scheme (TERS) applications. Twenty-two applications were either defective/abandoned or withdrawn. The TERS Single Adjudication Committee (SAC) considered 29 applications. Fourteen applications were recommended, whilst 13 were not recommended. Six (6) applications were in process pending declarations confirmation and/or calculations by the UIF. Only a single application is in process and pending finalisation by the SAC. It should be noted that 11 applications were carried over from the two (2) previous financial years (2020/21 and 2021/22). The total number of employees due to benefit from TERS applications were recorded at 1 406, at a total cost of R47.8 million to TERS. The decline in the number of applications compared to the previous year was mainly attributed to compliance challenges linked directly to UIF compliance processes and excessive delays in the conclusion of Memorandum of Agreement (MOA) and payment of tranches.





**TABLE 9: PERFORMANCE OF PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT- 2022/23 APP**

Programme/Sub-programme: Special Intervention and Support									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
3.1. Effective support to Presidential projects	3.1.1. Contribution to Presidential priorities	3.1.1.1. Percentage of Phase 3 of the CCMAV BUSA Labour Support Web Tool implemented	New	100% (15/15)	100%	111.54% (29/26)	11.54%	Overachievement is as a result of the changes to the legislations i.e., the amendments to the BCEA (1997) threshold and the National Minimum Wage, and the new Code of Good Practice on protest action which were placed on the portal for the Users.	

**3.3.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE**

There was no underperformance registered under this programme.



### 3.3.3. LINKING PERFORMANCE WITH BUDGETS

**TABLE 10: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT: LINKING PERFORMANCE WITH BUDGET**

Programme/activity/ objective	2022/23			2021/22		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME THREE (3)	16 219	14 653	1 566	15 607	14 188	1 419
<b>Total</b>	16 219	14 653	1 566	15 607	14 188	1 419

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

**TABLE 11: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES**

PROGRAMME FOUR (4)	EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES
<b>PROGRAMME PURPOSE</b>	Advance accessible, efficient and quality resolution and enforcement mechanisms, to sufficiently address the growing inequality in the labour market due to external factors changing the nature of work, a proactive approach to the advancement of social justice is required in order to adequately maintain social cohesion, contribute to labour peace and human advancement and progress. The CCMA will focus on initiatives that will ensure increased and effective access to the CCMA in vulnerable areas and amongst vulnerable groups through collaboration with strategic partners and increased access points, as well as initiatives that will enhance the efficiency of service delivery, quality of settlements and enforceability of awards.
<b>INSTITUTIONAL OUTCOMES</b>	<ul style="list-style-type: none"> <li>• Improved service quality</li> <li>• Improved access to CCMA services</li> <li>• Jobs saved</li> <li>• Reduced potential for industrial action</li> </ul>

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

During the 2022/23 financial year, the CCMA settled a total of 2 142 against 3 154 disputes of interest which constituted 67.91% and a total of 105 of public interest matters which contributed to 98.13% of cases heard to advance labour market stability and promote economic development.

The CCMA has a dedicated focus on job savings. The CCMA has saved 51% (18 196/35 679) of jobs of employees facing retrenchment and total retrenchment recorded at 16 896. The aforementioned percentage of jobs saved by the CCMA through Section 189A facilitations in relation to the total number of employees identified for retrenchment in respect of large-scale retrenchment facilitations referred to the CCMA. The CCMA also prioritises return to work outcomes in conciliated settled matters and these were recorded at 8.61% (4 360/50 635).



To improve access and knowledge of CCMA services, Users accessed the CCMA services from the following identified sectors: Domestic, Agriculture, Retail, Private Security and Mining through either the Dispute Resolution and/or Dispute Prevention and Workplace Outreach platforms. A total of 244 interventions and/or activities were delivered to support the implementation of the Advocacy Campaign.

To improve service quality, the ESC under the auspice of the CCMA conducted five (5) Section 71 investigations and resolved 13 disputes in essential services. On its own accord, the ESC conducted three (3) self-initiated investigations.

During the 2022/23 financial year, a total of 131 221 conciliable cases were heard at the first event and 17 947 arbitration awards were rendered and sent to parties within 14 days of the conclusion of the arbitration proceedings.

The CCMA continued to provide support to 37 accredited bargaining councils and four (4) private agencies. During the 2022/23 financial year, a total of 27 484 referrals were dealt with by accredited bargaining councils and private agencies. The CCMA also ensured that subsidy payments for the total number of 6 798 cases were paid out to the amount of R 5 008 427. A total of 6 518 Section 143 applications for enforcement received from bargaining councils were processed and certified.



**TABLE 12: PERFORMANCE OF PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES - 2022/23 APP**

Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.1. Percentage of conciliable cases heard within 30 days at first event (excludes agreed extensions, where certificates were issued, out of jurisdiction cases/withdrawn/settled by parties cases prior to the matter being scheduled, no process cases and cases which are not conciliable or where conciliation is not first process).	99.4% (91 296/91 810)	99.76% (101 014/101 253)	98%	99.92% (131 221/131 322)	1.92%	Overachievement on this indicator is attributed to several control measures that are in place to mitigate against matters scheduled outside of 30 days which includes daily reports to regions.	

Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
		4.1.1.2. Percentage of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed)	99.9% (13 236/13 245)	99.95% (15 938/15 946)	98%	99.95% (17 947/17 956)	1.95%	Overachievement on this indicator is attributed to several control measures in place to mitigate against matters scheduled outside of 30 days which includes daily reports to regions.	



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
		4.1.1.3. Percentage of disputes of interests resolved per annum	52.6% (1 628/3 097)	58.25% (2 384/4 093)	52%	67.91% (2 142/3 154)	15.91%	Overachievement on this indicator is attributed to the CCMA's specialised panel of regional and national mediators' dedicated focus and commitment to resolve potentially strike related matters and contribution to labour market stability.	
		4.1.1.4. Percentage of Section 71 of the LRA cases conducted (as and when referred) per annum	86% (6/7)	100.00% (6/6)	100%	100% (1/1)	0	N/A	



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
		4.1.1.5. Percentage of Section 73 of the LRA cases conducted (as and when referred) per annum	100% (21/21)	100.00% (12/12)	100%	100% (8/8)	0	N/A
		4.1.1.6. Number of self-initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service per annum	3	3	2	3	1	Overachievement on this indicator is due to the ESC conducting an investigation on the possible variation of services provided and supported by the Department of State Expenditure. The variation is occasioned by the fact that the Department of State Expenditure no longer exists, and the Department is now called the National Treasury.



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
	4.1.2. High quality of services rendered	4.1.2.1. Quality of awards index achieved by 31 March 2023	88% (10 636/12 127)	97.46% (17 107/17 552)	97%	98.64% (19 429/19 696)	1.64%	Overachievement on this target is due to the fact that perusal certificates have been revised. Perusers have been workshopped. Although the target is 97%, we strive to achieve 100%.	





Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
4.2. Improved access to CCMA services	4.2.1. Improved access and knowledge of CCMA services	4.2.1.1. Number of Users who access CCMA services from identified sectors reached per annum	124 278	119 584	84 000	0	-84 000	155 683 Users accessed CCMA services and demonstrates work done by the CCMA. However, the details of the breakdown of the Users who accessed CCMA services was not maintained. What was maintained was a summary report extracted from the case management system which only indicates the total number of cases heard and closed. This is what has been reported on throughout the financial year.



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
								Therefore, due to the unavailability of the evidence demonstrating the breakdown of the Users, the actual number of Users who accessed CCMA services from identified sectors reached per annum cannot be verified.	

Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
		4.2.1.2. Percentage of advocacy campaign plan implemented by 31 March 2023	100% (4/4)	124.43% (219/176)	100%	137.85% (244/177)	37.85%	Overachievement on this Output Indicator is attributed to the high number of presentations on CCMA services and offerings delivered at the CCMA User and or sector forum meetings and through Radio Talk-show sessions. This includes awareness raising sessions on the newly promulgated Code of Good Practice (COGP) on the Prevention and Elimination of Discrimination and Sexual Harassment in the Workplace.	



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
4.3 Jobs saved	4.3.1 Averted job losses	4.3.1.1. Percentage of jobs saved compared to employees likely to be retrenched (as per the cases referred to the CCMA) per annum	42% (58 165/138 816)	39.86% (18 715/46 953)	38%	51% (18 196/35 679)	13%	Overachievement on this indicator is due to parties' dedication and willingness to consider Facilitators guidance in crafting alternatives. Parties are more cognisant of the scarcity of job opportunities in the labour market and therefore, their focus is mainly on job security than the acceptance of severance pay.	



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
		4.3.1.2. Return to Work index achieved by 31 March 2023	9.7% (3 469 /35 775)	8.35% (3 485/41 713)	8%	8.61% (4 360/50 635)	0.61%	Overachievement on this indicator is due to the dedicated focus by Commissioners to promote return to work outcomes as the primary remedy in line with S193 of the LRA. Data Integrity by Case Management Officer (CMO) and Senior Case Management Officer (SCMO) has ensured that the right outcome is captured.	



Programme/Sub-programme: Efficient and quality dispute resolution and enforcement services									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
4.4. Reduced potential for industrial action	4.4.1. Reduced labour market volatility	4.4.1.1. Percentage of public interest disputes resolved per annum	93% (112/121)	94.48% (137/145)	64%	98.13% (105/107)	34.13%	Overachievement is attributed to the CCMA's active monitoring of unresolved wage disputes, and making appropriate offers of assistance and assigning highly experienced and skilled Commissioners to attend to these in an ongoing effort to contribute to labour market stability.	

### 3.4.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

A standard listing template has already been developed for the 2023/24 financial year for all applicable targets. Going forward, these listings will be submitted together with the other supporting evidence submitted in line with the technical indicator description.

### 3.4.3. LINKING PERFORMANCE WITH BUDGETS

**TABLE 13: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES: LINKING PERFORMANCE WITH BUDGET**

Programme/activity/objective	2022/23			2021/22		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME FOUR (4)	771 465	757 374	14 091	732 848	710 769	22 079
Total	771 465	757 374	14 091	732 848	710 769	22 079

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

**TABLE 14: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE**

PROGRAMME FIVE (5)	EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE
PROGRAMME PURPOSE	The continuous scanning of the organisation's internal and external operating environment through research and strategic forecasting is core to successful strategy implementation and service delivery. This will result in the organisation's ability to forecast strategy effectiveness and proactively respond to changes. To sustain the catalytic environment for successful strategy implementation and governance, within the changing organisational environment, the CCMA will also focus on initiatives that deploy risk and governance failure mitigation strategies through development and implementation of an integrated governance, compliance and risk framework. Good governance ensures organisational integrity, operational excellence and enables the maintenance of partnerships and impactful implementation of the strategy.
INSTITUTIONAL OUTCOMES	<ul style="list-style-type: none"> <li>Optimised governance level</li> </ul>

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

To optimise governance level, the CCMA fully implemented 128.85% (67/52) of the 2022/23 Risk Strategy and Implementation Plan, registering a 73% risk profile achievement rate, and 138.24% (47/34) of the Compliance Management Plan. In addition, a Mid-Term Impact Assessment was conducted to track the achievements, the outcomes and impact of the Strategy.





**TABLE 15: PERFORMANCE OF PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE- 2022/23 APP**

Programme/Sub-programme: Effective strategy management and governance									
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation	
5.1. Optimised governance level	5.1.1. Generation of business intelligence	5.1.1.2. Number of Imvuselelo Strategy impact assessments conducted per annum	New	New	1	1	0	N/A	
	5.1.2. Good governance	5.1.2.1. Percentage of Compliance Management Plan implemented by 31 March 2023	110% (44/40)	133.33% (56/42)	100%	138.24% (47/34)	38.24%	Overachievement on this target was due to additional site visits conducted at the provincial offices to ensure compliance to OHS requirements and assist provinces to comply with CCMA approved governance processes through unpredictable testing. Overachievement was also as a result of request from Internal Audit to provide assurance that the deviation memorandums meet the compliance standards.	





Programme/Sub-programme: Effective strategy management and governance								
Outcome	Output	Output indicator	Audited actual performance 2020/21	Audited actual performance 2021/22	Planned target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Reasons for deviation
		5.1.2.2. Percentage of Risk Management Plan Implemented by 31 March 2023	123% (69/56)	114% (62/54)	100%	128.85% (67/52)	28.85%	Overachievement on this target was due to additional site visits conducted at provincial offices to ensure compliance with OHS requirements and due to reported BCM failure across the country resulting from loadshedding. Unpredictable testing at impacted provinces were conducted. Overachievement is also as a result of User requests for training by OHS and Mediation Units on BamOwl Risk Management System.



### 3.5.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no underperformance registered for this programme.

### 3.5.3. LINKING PERFORMANCE WITH BUDGETS

**TABLE 16: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE: LINKING PERFORMANCE WITH BUDGET**

Programme/activity/ objective	2022/23			2021/22		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME FIVE (5)	38 918	36 631	2 287	33 773	29 678	4 096
<b>Total</b>	<b>38 918</b>	<b>36 631</b>	<b>2 287</b>	<b>33 773</b>	<b>29 678</b>	<b>4 096</b>

## 4. REVENUE COLLECTION

**TABLE 17: REVENUE COLLECTION FOR THE CCMA DURING THE 2022/23 FINANCIAL YEAR**

SOURCES OF REVENUE	2022/23			2021/22		
	ESTIMATE	ACTUAL	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL	(OVER)/ UNDER COLLECTION
		AMOUNT COLLECTED			AMOUNT COLLECTED	
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	1 046 293	1 046 293	-	994 984	994 984	-
NEDLAC Funding	12 000	12 000	-	8 000	8 000	-
Conscientious Objectors Funding	1 500	1 290	210	600	1 438	(838)
Investment Income	5 036	13 206	(8 170)	4 960	6 086	(1 126)
Services Rendered	4 812	5 785	(973)	4 500	6 358	(1 858)
Other Income	-	593	(593)	-	1 891	(1 891)
Retention of Rollover Surplus	30 520	-	30 520	-	-	-
Gain on Foreign Exchange	-	-	-	-	581	(581)
Donations Received	-	328	(328)	-	39	(39)
<b>Total</b>	<b>1 100 161</b>	<b>1 079 495</b>	<b>20 666</b>	<b>1 013 044</b>	<b>1 019 377</b>	<b>(6 333)</b>

The main source of revenue for the CCMA is the government grant of R1.046 billion (2022: R995 million). Other revenue comprises rendering of services and investment income. An additional grant transfer of R1.4 million was received from DEL to assist with conscientious objectors for the 2022/23 financial year.

Investment income collected during the current financial year was higher than the projected income by R8.2 million (162%) due to favourable interest received on funds invested with the Corporation for Public Deposit (CPD). The over collection of revenue from rendering of services was due to increased demand on discretionary services offered by the CCMA. Other income and donations received were not budgeted for due to the nature of the income received. The income includes items such as insurance, bursary recoveries, employee debts etc.



## 5. CAPITAL INVESTMENT

*Capital investment, maintenance and asset management plan*

**TABLE 18: CCMA CAPITAL INVESTMENT AS AT 31 MARCH 2023**

ASSET CLASS	OPENING BOOK VALUE	ADDITIONS YTD	DISPOSALS YTD	DEPRECIATION	CLOSING BOOK VALUE
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
IT Equipment	22 152	2 115	(117)	(5 139)	19 011
Computer Software	15 199	22 171	(103)	(20 738)	16 529
Furniture & Fixtures	5 979	395	(43)	(1 130)	5 201
Leasehold Improvement	480	-	-	(226)	254
Motor Vehicles	71	-	(22)	(12)	37
Office Equipment	4 919	434	(13)	(717)	4 623
Leased Motor Vehicles	1 029	-	-	(726)	303
Leased Office Equipment	33	75	-	(51)	57
<b>Total</b>	<b>49 862</b>	<b>25 190</b>	<b>(298)</b>	<b>(28 739)</b>	<b>46 015</b>

## 6. FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

**TABLE 19: FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH**

ITEM	2018/19	2019/20	2020/21	2021/22	2022/23
	R'000	R'000	R'000	R'000	R'000
Grant income and services rendered	986 512	999 845	955 537	1 019 377	1 079 495
Accumulated surplus	86 263	29 094	36 338	73 308	79 792
Interest received	14 762	13 420	5 654	6 086	13 206
Investments and cash	180 289	96 657	69 367	141 585	140 692
Current ratio	1.34	1.0	1.0	1.3	1.4



**PART C:**  
**GOVERNANCE**

FOX 127



## 1. INTRODUCTION

The Governing Body and its five (5) committees reviewed the systems and processes of the CCMA timeously. They recognised the role of governance as critical to the efficient and effective functioning of the Commission. The Governing Body provided assurance to the CCMA's stakeholders that strengthening the existing framework for governance and compliance remained high on the CCMA's agenda.

The Governing Body manages oversight over the performance of the CCMA's functions. The Governing Body embraces the principles of good corporate governance and considers these as the underlying philosophy towards creating organisational excellence at all levels within the CCMA. The Governing Body sets the tone in driving the ethics of good governance and members collectively and individually acknowledge their responsibilities and duties in terms of governance, regulatory and legislative requirements.

## 2. PORTFOLIO COMMITTEE

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

- a) 07 September 2022 – to present CCMA's 2021/22 Third Quarter Performance Report.
- b) 09 September 2022 – to present CCMA's 2021/22 Annual Report.
- c) 15 February 2023 – to present CCMA's 2022/23 First Quarter Performance Report.
- d) 09 March 2023 – to table CCMA's 2023/24 APP.
- e) 15 March 2023 – to present CCMA's 2023/24 APP.

## 3. EXECUTIVE AUTHORITY

In compliance with the PFMA (1999, as amended), Treasury Regulations 26.1 and Section 4.4 of the Revised Framework of Strategic Plans and Annual Performance Plans, the CCMA submitted the following documents to the Executive Authority during the 2022/23 financial year:

- a) 29 April 2022 – 2021/22 Fourth Quarter Annual Performance Scorecard Results and Integrated Report.
- b) 31 May 2022 – 2021/22 First Draft Annual Report and Unaudited Financial Statements (AFS).
- c) 29 July 2022 – 2021/22 First Quarter Annual Performance Plan Scorecard Results and Integrated Report.
- d) 02 September 2022 – 2021/22 Annual Report and Audited Financial Statements (AFS).
- e) 28 October 2022 – 2022/23 Second Quarter Annual Performance Plan Scorecard Results and Integrated Report.
- f) 31 January 2023 – 2022/23 Third Quarter Annual Performance Plan Scorecard Results and Integrated Report.
- g) 28 October 2022 – 2023/24 CCMA First Draft Annual Performance Plan.

## 4. THE ACCOUNTING AUTHORITY/BOARD

The Governing Body is established in terms of Section 116 of the LRA (1995, as amended). The Governing Body of the CCMA comprises of non-executive independent members appointed by the Minister of Employment and Labour through NEDLAC for a period of three (3) years. The Governing Body comprises of an independent chairperson and nine (9) members from different constituencies: three (3) from organised labour, three (3) from organised business and three (3) from the government. The Director serves as an ex-officio member of the Governing Body.





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

- a) *Audit and Risk Committee (ARC)*: Assists the Governing Body by exercising oversight responsibility on the integrity of the CCMA's financial statements, the extent of compliance with legal and policy requirements, the system of internal control and risk management, the adequacy of the Internal Audit function and external auditors, the performance of management in terms of the strategic plans and APP, ICT and any other matters related to its mandate referred to it by the Governing Body.
- b) *Dispute Resolution Committee (DRC)*: Advises the Governing Body and exercises oversight of the dispute resolution matters and the accreditation of bargaining councils and private agencies and their panels, as well as payment of subsidies to the bargaining councils and private agencies as provided in the LRA.
- c) *Governance, Social and Ethics Committee (GSEC)*: Advises the Governing Body and exercises oversight on governance, social transformation, organisational sustainability, social justice, stakeholder management, good corporate citizenship and the ethical responsibilities of the CCMA.
- d) *Human Resources Committee (HRC)*: Advises and exercises oversight responsibility for the human resources management function of the CCMA and makes recommendations to the Governing Body on the organisation's Human Resources Strategy and its implementation. The HRC also performs the functions of the Remuneration Committee (REMCO) for the CCMA. REMCO exercises oversight over implementation of the remuneration policy and framework, practices and related matters and
- e) *Procurement Committee (PC)*: Considers and approves procurement for goods and services above the R3 million threshold.

The Governing Body and its Committees function in accordance with approved Charters and Annual Work Plans. The Committees carried out all planned activities for the 2022/23 financial year as contained in the 2022/23 Annual Work Plans.

## 5. GOVERNING BODY

During the 2022/23 financial year, the Governing Body meetings were held as follows:

**TABLE 20: NUMBER OF 2022/23 GOVERNING BODY MEETINGS CONVENED**

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	4
<b>TOTAL</b>	<b>8</b>



During the 2022/23 financial year, the Governing Body membership was as follows:

**TABLE 21: GOVERNING BODY MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
<b>Enos Ngutshane</b>	Chairperson	01 December 2020	N/A	Diploma in Administrative Studies; Master of Public Administration and Professor in Theology	Public Administration; and Operational Safety	Institute of Retirement Funds; Institute of Retirement Funds Africa; Institutes of Directors of Southern Africa; Special Risk Insurance Association; Thyme Capital and KNPC	GSEC	8
<b>Sifiso Lukhele</b>	Member	01 December 2020	N/A	Bachelor of Arts in Law; and Bachelor of Laws (LLB)	Employment Law; Human Resources; Employee Wellbeing; and Negotiations	None	HRC, REMCO and PC	8
<b>Thembinkosi Mkalipi</b>	Member	01 December 2020	N/A	Wits Management Advanced Programme; and Masters in Labour Law	Labour Relations	None	HRC, REMCO and PC	8
<b>Siobhan Leyden</b>	Member	01 December 2020	N/A	Bachelor of Laws (LLB); and Master of Laws (LLM)	Labour Law	NEDLAC; and UIF Regional Appeals Committee (Gauteng)	DRC	8



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Riefdah Ajam	Member	01 December 2020	N/A	Bachelor of Business Administration (BBA); Post-Graduate Diploma in Business Management; and Master of Business Administration	Labour Relations	Human Resource Development Council (HRDC); NEDLAC Executive Committee (EXCO) and Management Committee (MANCO); Board member of the Employment Services Board (ESB); Chairperson of the Employment Schemes Sub-committee of the ESB; Member of the National Science Technology Forum; Advisory Committee and Board Member of the Development Institute for Training, Support and Education for Labour (DITSELA); and Council Member of the Millennium Labour Council	GSEC	8



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
<b>Nisoaki Mamashele</b>	Member	22 June 2022	N/A	Master of Laws (LLM); Postgraduate Certificate in Executive Leadership; Advanced Labour Law Programme – NQF: 8; B Ed (Honours In Educational Management); HED (Postgraduate); Bachelor of Arts Degree (BA); Programme in Human Resource Management	Labour laws (Labour Relations Act, Employment Equity Act, Basic Conditions of Employment Act of 1997, Skills Development Act)	NEDLAC	PC and GSEC	6
<b>Conny Mamejja</b>	Member	01 December 2020	N/A	Diploma in Public Administration; Bachelor of Administration (B Admin); Honours in Public Administration; and Master of Administration (MAdmin)	Public Management and Corporate Services	ICLE Africa for Local Government Sustainability; Non-Executive Director; Sam Nzima Foundation; Board Member; Member of Bid Evaluation Committee at MEGA; Member of Governance,	ARC	5



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
						State Capacity and Institutional Development Cluster at the Department of Justice and Constitutional Development Cabinet Cluster; Chairperson of HR and Ethics Sub-committee of Department of Justice and Constitutional Development; Member of Finance Committee of Department of Justice and Constitutional Development; Member of Integrated Planning Sub-committee of Department of Justice and Constitutional Development; and member of Integrated Planning Sub-committee		



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Wiseman Dinwa	Member	01 April 2022.	N/A	Master of Arts (Labour Policy and Globalisation); Bachelor of Commerce; Honours in Human Resource Management (NQF 8); Post Graduate Diploma in Labour Law (NQF 8); National Diploma in Metropolitan & Traffic Policing (NQF 6); Higher Certificate in Business Management (Labour Studies); Higher Certificate in Labour Law, Labour Dispute Resolution Practice; Professional Certificate in Public Management	Human Resource and Labour Relations	Ditsela Labour Institute; Board of Trustees (Member Trustee) of the Contract Cleaning National Provident Fund, Full Council in the Bargaining Council for Tearoom, Restaurant and Allied Trades; and Board Member at Services SETA	ARC and DRC	7
Bheki Ntshintshali	Member	01 December 2020	N/A	Labour Relations	Labour Relations	Employment Services Board; Naledi; NEDLAC; and member of the Human Resource Development Council (HRDC)	HRC and PC	8



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Area of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
<b>Kaizer Moyane</b>	Member	01 December 2022	N/A	Bachelor of Arts; and Bachelor of Laws (LLB)	Employment Law and Labour Relations	Chairperson of Social and Transformation Policy Standing Committee (BUSA); Overall Business Convenor: NEDLAC; Commissioner with the National Minimum Wage Commission; and International Labour Organisation (ILO)	GSEC & ARC	7
<b>Cameron Sello Morajane</b>	<i>Ex officio</i> Member	1 November 2017	N/A	Bachelor of Jurisprudence; Bachelor of Laws; Alternative Dispute Resolution Diploma; Postgraduate Diploma in Corporate Law; and Master of Laws (LLM)	Labour Relations	None	GSEC, ASC ARC, HRC and PC.	8



## 5.1. AUDIT AND RISK COMMITTEE (ARC)

During the 2022/23 financial year, the ARC meetings were held as follows:

**TABLE 22: NUMBER OF 2022/23 ARC MEETINGS CONVENED**

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	4
<b>TOTAL</b>	<b>8</b>





During the 2022/23 financial year, the ARC Membership were as follows:

**TABLE 23: ARC MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Tracy Cumming	Independent Chairperson	01 April 2021	N/A	Chartered Accountant CA (S.A.) CTA; and BCom	Finance	Eastern Cape Development Corporation (ECDC) – Board Member/Amatola Water Board – FINCO (Member); Own Haven (Member); NPC Audit Committee (Member); Chairperson: EC Community Safety (Member); Government Fleet Management Services (Member); DEDEAT (Eastern Cape) – contract ended; Audit Committee Member – Eastern Cape Human Settlements; and the Eastern Cape Gambling Board	ARC	8
Yedwa Mijako	Independent Member	03 August 2022	N/A	BCom; MBA; Certified Internal Auditor (CIA)	Audit Finance	Ministerial appointee in the Tshwane University of Technology Council; an Independent Non-Executive Board Member of Ithala SOC Limited and Chair of Human Resources and Remuneration Committee; Risk and Capital Management Committee; and Gauteng Provincial Audit Committees	ARC	4

Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Ashley Latchu	Independent Member	01 April 2021	31 March 2023 (Resignation)	BSC IT Management; Honours Degree in IT; Masters in Science	ICT	The Performing Arts Centre – Free State (Member); The National Arts Council – Gauteng (Member); Tertiary Education and Research Network of South Africa (TENET) – Western Cape (Member); William Humphreys Art Gallery (WHAG) – Kimberley (Member); Greater Taung Economic Development Agency (GTEDA) – Taung, North West (Member); Current: Board Member – Social Housing; Regulatory Authority (SHRA) – Gauteng; Ekurhuleni East TVET College (EEC) – Ekurhuleni (Member); Gauteng Industrial Development Zone (GIDZ) – Gauteng (Member); Southern African Trust (SAT) (Member); Current: Board Member – Council for the Built Environment (CBE); Current: Audit and Risk Committee Member – Public Service Commission (PSC); Current: Audit and Risk Committee Member – eThekweni Municipality; Current: Audit and Risk Committee Member –	ARC ICT Steering Committee	7



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
						<p>The National Credit Regulator (NCR);                      Current: Audit and Risk Committee                      Member – Eastern Cape Department                      of Transport – Mayibuye Transport                      Corp; Current: Audit and Risk                      Committee Member – Social Housing                      Regulatory Authority (SHRA);                      Current: Audit                      and Risk Committee Member–                      Department of Justice and                      Constitutional Development (DOJ and                      CD); Current:                      Research and Innovation Committee                      Member – Quality Control for Trades                      and Occupations (QCTO); Current:                      Compliance Accreditation and                      Regulations Committee                      Member – Social Housing                      Regulatory Authority (SHRA);                      Current: Chairperson ICT Steering                      Committee– South African State                      Theatre (SAST); Current: ICT                      Governance Committee Member –                      National Regulator for Compulsory                      Specifications (NRCS); and Current:                      Facilities Planning, Infrastructure and                      Information Technology Committee –                      Sol Plaatje University (SPU)</p>		



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Linda Nene	Independent Member	September 2021	N/A	Bachelor of Commerce Accounting; Post Graduate Diploma in Management and Master of International Business GIA (S.A.) (General Internal Auditor – S.A.)	Governance	Audit and Performance Committee Member: City of Cape Town Municipality; Independent Audit Committee Member: ETDP SETA; Independent Audit Committee Member: Western Cape Gambling and Racing Board (WCGRB); Independent Audit and Risk Committee Member: COEGA Development Corporation (Pty) Ltd (CDC); Non-Executive Director: PetroSA Equatorial Guinea SOC Ltd Chairperson; Departmental Employee Performance Management System Member; Departmental Fraud and Risk Committee Member; Departmental Procurement Bid Committee Member; Provincial and Chief Risk Officers Forum Member and Co-Founder; National Treasury's Risk Managers' Forum Member; Chief Financial Officers Forum; Chairperson of Risk Management Committee; Independent Audit & Risk Committee Member; and COEGA Development Corporation Member	ARC	4



Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
<b>Kaizer Moyane</b>	Member	01 December 2020	N/A	Bachelor of Arts; and Bachelor of Law	Labour Relations and Employment Law	Chairperson of Social and Transformation Policy Standing Committee (BUSA); Overall Business Convener: NEDLAC; Commissioner with the National Minimum Wage Commission; and International Labour Organisation (ILO)	GB, ARC, GSEC	8
<b>Conny Mameja</b>	Member	01 December 2020	N/A	Diploma in Public Administration; Bachelor of Administration (B Admin); Honours Public Administration; and Master of Administration	Public Management; and Corporate Services	ICLE Africa for Local Government Sustainability: Non-Executive Director; Sam Nzima Foundation (Member); Bid Evaluation Committee at MEGA (Member); Governance, State Capacity and Institutional Development Cluster at the Department of Justice and Constitutional Development Cabinet Cluster (Member); Human Resources and Ethics Sub-committee of Department of Justice and Constitutional Development (Member); Finance Committee Department of Justice and Constitutional Development (Member); and Integrated Planning Sub-Committee (Member)	GB, ARC	7





Name	Designation	Date appointed	Date resigned/ end of term	Qualifications	Areas of expertise	Board Directorships	CCMA Committee membership	No. of meetings attended
Wiseman Dinwa	Member	01 April 2022	N/A	Master of Arts (Labour Policy and Globalisation); Bachelor of Commerce; Honours in Human Resource Management (NQF 8); Post Graduate Diploma in Labour Law (NQF 8); National Diploma in Metropolitan & Traffic Policing (NQF 6); Higher Certificate in Business Management (Labour Studies); Higher Certificate in Labour Law; Labour Dispute Resolution Practice Professional Certificate in Public Management.	Human Resource and Labour Relations	Ditsela Labour Institute; Board of Trustees; (Member Trustee) of the Contract Cleaning National Provident Fund; Full Council in the Bargaining Council for Tearoom, Restaurant and Allied Trades; and Board Member at Services SETA	GB, ARC, DRC	6





## 5.2. DISPUTE RESOLUTION COMMITTEE (DRC)

During the 2022/23 financial year, the DRC meetings were held as follows:

**TABLE 24: NUMBER OF 2022/23 DRC MEETINGS CONVENED**

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	0
<b>TOTAL</b>	<b>4</b>

The composition of the DRC and meeting attendance for the 2022/23 financial year is outlined in the table below:

**TABLE 25: DRC MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Number of meetings attended
Thembinkosi Mkalipi	Chairperson	4
Wiseman Dinwa	Member	3
Siobhan Leyden	Member	4

## 5.3. HUMAN RESOURCES COMMITTEE (HRC)

During the 2022/23 financial year, the HRC meetings were held as follows:

**TABLE 26: NUMBER OF 2022/23 HRC MEETINGS CONVENED**

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	0
<b>TOTAL</b>	<b>4</b>

The composition of the HRC and REMCO meeting attendance for the 2022/23 financial year is outlined in the table below:

**TABLE 27: HRC AND REMCO MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Number of meetings attended
Sifiso Lukhele	Chairperson	4 (HRC); 2 (REMCO)
Bheki Ntshalintshali	Member	4 (HRC); 2 (REMCO)
Thembinkosi Mkalipi	Member	4 (HRC)

## 5.4. GOVERNANCE, SOCIAL AND ETHICS COMMITTEE (GSEC)

During the 2022/23 financial year, GSEC meetings were held as follows:

**TABLE 28: NUMBER OF 2022/23 GSEC MEETINGS CONVENED**

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	1
<b>TOTAL</b>	<b>5</b>



The composition of the GSEC and meeting attendance for the 2022/23 financial year is outlined in the table below:

**TABLE 29: GSEC MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Number of meetings attended
Riefdah Ajam	Chairperson	4
Enos S. Ngutshane	GB Chairperson	5
Ntsoaki Mamashela	Member	4
Kaizer Moyane	Member	5

## 5.5. PROCUREMENT COMMITTEE (PC)

During the 2022/23 financial year, the PC meetings were held as follows:

**TABLE 30: NUMBER OF 2022/23 PC MEETINGS CONVENED**

Type of meetings	Number of meetings
Special meetings	5
<b>TOTAL</b>	<b>9</b>
Ordinary meetings	4

The composition of the PC and meeting attendance for the 2022/23 financial year is outlined in the table below:

**TABLE 31: PC MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

Name	Designation	Number of meetings attended
Bheki Ntshalintshali	Chairperson	9
Sifiso Lukhele	Member	8
Ntsoaki Mamashela	Member	7
Namhla Siqaza	Member	8



## 6. REMUNERATION OF THE GOVERNING BODY AND COMMITTEE MEMBERS

The CCMA's Governing Body and its committees are remunerated in line with National Treasury Guidelines and Regulations. The remuneration of the Governing Body and committee members for the 2022/23 financial year is outlined in the table below:

**TABLE 32: REMUNERATION OF THE GOVERNING BODY AND COMMITTEE MEMBERS FOR THE 2022/23 FINANCIAL YEAR**

Name	Remuneration	Other Allowance	Other Reimbursements	Total
	(R)	(R)	(R)	(R)
Enos Ngutshane	104 765	-	-	104 765
Sifiso Lukhele	153 847	-	-	153 847
Bheki Ntshalintshali	161 647	-	-	161 647
Kaizer Moyane	115 297	-	-	115 297
Siobhan Leyden	93 778	-	-	93 778
Wiseman Dinwa	96 868	-	-	96 868
Riefdah Ajam	83 663	-	-	83 663
Tracy Cumming	91 197	-	-	91 197
Yedwa Mjiako	41 588	-	-	41 588
Ashley Latchu	36 601	-	-	36 601
Conny Mametja*	N/A	N/A	N/A	N/A
Thembinkosi Mkalipi*	N/A	N/A	N/A	N/A
Ntsoaki Mamashela*	N/A	N/A	N/A	N/A
Linda Nene*	N/A	N/A	N/A	N/A
Vernon Makaleni	9 633	-	-	9 633
Namhla Siqaza	44 719	-	-	44 719

\*Employees of organs of state serving as office-bearers on public entities/institutions are not entitled to additional remuneration.

## 7. CCMA REMUNERATION REPORT FOR THE 2022/23 FINANCIAL YEAR

The Governing Body of the CCMA is responsible for remuneration governance in the CCMA. The Remuneration Committee (REMCO) is a Committee established by the Governing Body, mandated to ensure the CCMA remunerates fairly, responsibly and transparently, taking into consideration the affordability of the CCMA and compliance directives issued by the National Treasury.

The CCMA remuneration philosophy and governance arrangements are intended to recruit, reward and retain employees who not only live and display CCMA values at all times but also deliver and exceed stated strategic and operational objectives, within their area of work. The CCMA Policy on Remuneration, published on the CCMA website, is one of the key components of the Human Resources Strategy and supports the overall organisational strategy.



## 7.1. REMCO AND KEY MATTERS CONSIDERED

The REMCO, in executing its' mandate, performed the following activities during the 2022/23 financial year:

- a) Considered the reviewed CCMA Policy on Remuneration;
- b) Considered salary review and performance reward proposals for the 2022/23 financial year (for all employees including Executive Management);
- c) Mandated the single-year wage agreement whilst encouraging Management to consider a multi-year agreement with the Commission Staff Association (CSA);
- d) Updated information related to internal pay parity and the split of pay between all levels of employees (this was included as part of the salary review proposal and is a component of the monitoring of the implementation of the CCMA Remuneration Strategy); and
- e) Monitored the performance of the CCMA's Retirement Fund.

## 7.2. FUTURE FOCUS AREAS

REMCO holds the view that the success of the CCMA is directly linked to the calibre of employees that are recruited and retained, as well as a productive and healthy working environment. For the next financial year, REMCO will continue to take into consideration the interests of all stakeholders in the pursuit of achieving the strategic intent of the CCMA.



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**SIFISO LUKHELE**  
CHAIRPERSON OF REMCO



## 8. THE ESSENTIAL SERVICES COMMITTEE (ESC)

During the 2022/23 financial year, the ESC meetings were held as follows:

**TABLE 33: NUMBER OF 2022/23 ESC MEETINGS CONVENED**

Type of meetings	Number of Meetings
Ordinary meetings	4
Special meetings	3
<b>TOTAL</b>	<b>7</b>

During the 2022/23 financial year, the ESC Membership was as follows:

**TABLE 34: ESC MEMBERSHIP FOR THE 2022/23 FINANCIAL YEAR**

COMPOSITION OF THE ESC								
Name	Designation (In terms of the public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other ESC Sub-committees	Number of meetings attended
Luvuyo Bono	Chairperson	01/01/2022	N/A	B. Juris Bachelor of Laws (LLB) Master of Laws (LLM)	Labour Law Corporate Governance	NEICT and ELRC	ESC Legal Sub-Committee	12
Joyce Nkopane	Deputy Chairperson – Senior CCMA Commissioner	01/01/2022	N/A	B. Proc Bachelor of Laws (LLB); Higher Diploma in Corporate Law	Labour Law	Mbileni Tohlang–Nkopane Inc.; Senior Commissioner of the CCMA	MSA Ratification Committee; ESC Communications Sub-committee	16
Aruna Ranchod	Business	01/01/2022	N/A	BA Law	Law and Labour Relations	N/A	ESC Legal Sub-committee;	12
Nomazotsho Memani	Local Government	01/01/2022	N/A	BA; Bachelor of Laws (LLB)	Human Rights Law Labour Law;	N/A	ESC Legal Sub-committee; MSA Ratification Committee	16
Zwe Ndlala	Local Government	01/01/2022	N/A	BA Honours Industrial Psychology; BA Law; Management Advancement Programme (MAP); Higher Diploma: Industrial Relations	Labour Law	Registered Psychometrist; Registered Member of SABPP; Qualified Director; and Member of IoDSA Member of BMF	ESC Communications Sub-Committee	10





COMPOSITION OF THE ESC								
Name	Designation (In terms of the public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other ESC Sub- committees	Number of meetings attended
Zico Tamela	Labour	01/01/2022	N/A	Bachelor of Arts (Honours) – History; Master of Arts – Labour Policies and Globalisation; Certificate in Trade Union Leadership and Management	Collective Bargaining Practitioner	Member of the South Rand Hospital Board	ESC Legal Sub-committee; MSA Ratification Committee	8
Kgakgamatso Motebe	Labour	01/01/2022	N/A	Honours in Labour law; BTech- Human Resources	Labour Law and Human Resources; Negotiation	N/A	MSA Ratification Committee, ESC Communications Sub-committee	16
Ramasela Mokonyama	Business	01/01/2022	N/A	MPhil ER – University of Johannesburg – in progress; Certificate Programme in Labour Dispute Resolution Practice – University of Stellenbosch -2016; Postgraduate Diploma in Labour Law – University of Johannesburg – 2012; Bachelor of Administration– University of the North -1992	Human Resources	N/A	MSA Ratification Committee; ESC Communications Sub-committee	12

**Note:** Total number of meetings attended by ESC members includes ordinary meetings and Sub-committee meetings.



During the 2022/23 financial year, the following members of the ESC were remunerated as follows:

**TABLE 35: REMUNERATION OF THE ESC MEMBERS FOR THE 2022/23 FINANCIAL YEAR**

Name	Remuneration	Other allowance	Other re-imbursments	Total number of cases and meetings
	R	R	R	
Luvuyo Bono	1 388 414	21 600	-	207
Joyce Nkopane	833 931	13 200	-	128
Aruna Ranchod	374 727	-	-	70
Nomazotsho Memani	295 368	-	-	48
Zwe Ndlala	343 588	-	-	53
Zico Tamela	271 787	-	-	54
Kgakgamatso Motebe	389 843	-	-	83
Ramasela Mokonyama*	N/A	N/A	N/A	41
Annelie Gildenhuys**	15 116	-	-	2
Makhubalo Ndaba**	15 116	-	-	2

\*Ramasela Mokonyama is employed by private health and she does not tender any claim.

\*\*Annelie Gildenhuys and Makhubalo Ndaba are former ESC members who were appointed on a temporary basis to conclude case number ES368.

All members serve as panel members (assessors) with the ESC Chairperson/Deputy Chairperson presiding over Section 71, Section 72, Section 73 and Section 75 cases. All members (including the ESC Chairperson and Deputy Chairperson) also conduct Section 72 facilitations, awareness campaigns and other statutory functions of the ESC.

## 9. RISK MANAGEMENT AND INTERNAL CONTROL

The CCMA has adopted Enterprise-Wide Risk Management (ERM) as an essential part of effective Corporate Governance and reviews its Risk Management Strategy and Implementation Plan on an annual basis. The CCMA has an approved Risk Management Policy which declares the entity's commitment to risk management. The above-mentioned governance documents incorporate continuous risk identification and assessment, internal control embedment, risk mitigation and insurance strategies.

During the period under review, the 2022/23 Risk Strategy and Implementation Plan was fully implemented in that from the 52 activities that were planned all were achieved throughout the year, registering a 73% Risk Profile achievement rate. With respect to mitigation, 49 of the 67 identified risk action plans were fully implemented, which amounts to an increase of two percent (2%) in the completion rate in this financial year when compared to the 71% completion rate achieved in the previous financial year. Action plans that were outstanding and partially completed within the financial year were transferred to the Opportunities Risk Register and are thus being closely monitored.

During the 2022/23 financial year, each department and provincial office developed and maintained their respective Operational Risk Registers, which outlined the identified operational risks and the accompanying response strategies to address the risks. Regular risk assessments were conducted in line with the risk management timetable to identify new and emerging risks.



The 2022/23 Business Continuity Management (BCM) Implementation Plan was fully implemented, resulting in the review and approval of BCM plans and the rollout of the BCM Maturity Roadmap throughout the organisation. The BCM governance documents were also reviewed to ensure that the governance culture relating to BCM processes remained relevant. As at the end of the 2022/23 financial year, the CCMA maintained a partially implemented BCM maturity level three (3).

The ARC continued to provide oversight over the CCMA's ERM Function by monitoring the effectiveness of the CCMA's risk management processes. The ERM function reported quarterly to the ARC on all its activities and functionality, including the risk maturity of the organisation. The ARC also exercised stringent oversight over the CCMA's ERM Risk Profile by monitoring the risk appetite and tolerance levels set by the Governing Body during the 2022/23 financial year; ensuring that the CCMA's ERM remained within acceptable levels. During the financial year under review, the National Management Committee and Executive Risk Management Committee were operational as planned. The mandates of these Committees are to assist the ARC in discharging its oversight responsibility for the adequacy of the CCMA's ERM function.

The National Treasury Financial Management Capability Maturity Model is used to assess the CCMA's risk management maturity level, monitoring progress in implementing enterprise-wide risk management within the organisation. During the 2022/23 financial year, the CCMA has maintained a five (5) risk maturity level rating, meaning that the CCMA has an optimised risk maturity level with a focus on embedding a risk culture across the organisation. The ERM's efforts during the 2022/23 financial year have resulted in the mitigation of the CCMA's main inherent risks that the CCMA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels.

The Risk Management function participated in implementing the combined assurance plan and closely monitored the top risk recorded on the plan. There was an audit conducted by internal audit on risk management processes through the Corporate Governance Audit, but no auditing findings were registered for Risk Management. However, one (1) internal audit process on Business Continuity Management issues was raised that management noted and addressed.

## 10. COMPLIANCE WITH LAWS AND REGULATIONS

The CCMA is committed to a philosophy of Integrated Compliance Risk Management as a core managerial capability, which is aligned with the principles of the King IV Report, the standards set by the Compliance Institute of South Africa, and the legislative requirements of the PFMA. As at the end of the 2022/23 financial year, the CCMA maintained an optimum compliance maturity level five (5).

The Compliance Management Unit (CMF) is fully functional at identifying strategic and operational compliance gaps through its compliance policies, frameworks, and manual and implementation plans developed, approved and implemented. Due to the enterprise-wide approach to CMF, Compliance Champions were appointed across all departments and provinces to cascade down and integrate compliance principles at the business unit level.

The CCMA's 2022/23 Compliance Regulatory Universe had 50 pieces of legislation that identified what the CCMA must comply with, with the application of the Risk Management Model statistically identifying the top 20 statutes. High-risk statutes were identified, monitored and evaluated more regularly to minimise reputational damage, litigation, fines and penalties, and possible loss of an unqualified audit. Stringent testing was conducted on the identified high-risk statutes through Compliance Risk Management Plans, with conformance testing conducted on compliance with policy and procedures.

The ARC exercised stringent oversight over the CCMA's CMF during the 2022/23 financial year to ensure its functionality and adequacy.



## 11. INTERNAL AUDIT

Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach when evaluating and improving the effectiveness and efficiency of risk management, control and governance processes. Internal Audit at CCMA is an independent, objective assurance and consulting function designed to add value and improve the organisation's operations. Internal Audit in line with the PFMA (1999, as amended) and the King IV Report on Corporate Governance, the Chief Audit Executive provides the ARC and management with objective, relevant and reasonable assurance, thereby contributing to the effectiveness of governance, risk management and control processes.

Internal Audit reports functionally to the ARC and administratively to the Director and has the responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all the organisation's operations. The Chief Audit Executive has direct access to the Committee primarily through its chairperson. The purpose, authority, and responsibility of the Internal Audit function are formally defined in the Internal Audit Charter, which is reviewed and approved by the ARC. The Committee considered and approved the Internal Audit Charter, the Internal Audit function's annual audit plan and the three-year strategic rolling plan. The ARC is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority within the CCMA to enable the department in discharging its duties. Furthermore, the ARC oversees co-operation between the internal, external auditors and combined assurance forum and serves as a link between the Governing Body and these two functions.

Internal Audit executes its work according to the International Standards for the Professional Practice of Internal Auditing (Standards) and Treasury Regulations. Through execution of the annual audit plan, Internal Audit assists the organisation in achieving its objectives by evaluating and developing recommendations for the enhancement or improvement of the processes through which objectives and values are established and communicated, the accomplishment of objectives is monitored, accountability is ensured, and corporate values are preserved. Internal Audit also provides optimal audit coverage by considering the scope of work of the external auditors and other assurance providers as per the Combined Assurance Framework.

Internal Audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports in this regard to the ARC on a quarterly basis and as and when there is a need. The Internal Audit department contributes to the *Optimised Governance* level outcome and *Good Governance* output as per the 2022/23 Annual Performance Plan. In contributing to the outcome, the department completed all planned audits and allocated ad-hoc activities for the period under review. There has been an increase in the level of assurance as requested by stakeholders. Management takes accountability for implementing the agreed upon action plans in order to improve the control environment and Internal Audit conducts follow-up reviews to ascertain the status of implementation.

An Internal Audit Findings Tracking Register is in place and it was monitored on a monthly basis for the progress made by Management in implementing the action plans that had been agreed upon during audit engagements. The ARC, Internal Audit and Management reviewed the annual audit plan throughout the 2022/23 financial year to ensure that key risk areas are adequately considered. The audit projects executed were balanced to enable Internal Audit to have a fair view of the state of the control environment within the organisation.



## 12. FRAUD AND CORRUPTION

The CCMA has adopted a zero-tolerance approach to fraud and corruption. The CCMA implemented all the activities planned in the Fraud Prevention and Anti-Corruption Strategy and Plan for the 2022/23 financial year. As part of combating fraud and corruption, fraud awareness sessions and fraud risk assessments were conducted. The CCMA was part of the commemoration of the Association of Certified Fraud Examiners (ACFE) International Fraud Awareness in November 2022. As part of its commemoration, the CCMA utilised its internal communications platforms and all its social media platforms to increase awareness of its fraud campaign for both the benefit of internal and external stakeholders in a bid to advance its stance against fraudulent activities and to minimise any occurrences of same within the CCMA. The CCMA will continue to participate in the ACFE International Fraud Awareness Week as an added proactive mechanism to enhance fraud and corruption awareness within the organisation.

During the 2022/23 financial year, the CCMA created a whistleblowing hotline (i.e. the CCMA Be Honest Fraud Hotline), which is managed by an independent service provider known as Advance Call; this was in order to ensure independent reporting without any fear and prejudice. The CCMA Be Honest Fraud Hotline is implemented in line with the Protected Disclosure Act, 2000 (Act No.26 of 2000) as amended, to ensure confidentiality and the protection of whistle-blowers' rights when reporting any fraud, ethical infringements or criminal activity in good faith. Details for reporting any suspected fraud and/or ethical infringements are as follows:

- Hotline Number: 0860 666 348
- Email: [ccma@behonest.co.za](mailto:ccma@behonest.co.za)
- WhatsApp Number: 0860 004 004
- Online Chat: [www.behonest.co.za](http://www.behonest.co.za)
- Postal Address: BNT165, Brooklyn Square, 0075

During the 2021/22 financial year, the CCMA received 16 alleged fraudulent incidents through its CCMA Be Honest Fraud Hotline. Of the 16 incidents, 11 were investigated and found to have no merit of fraud. Three (3) cases were reported to the South African Police Services (SAPS). Two (2) cases that remained opened at the end of the 2021/22 financial year, were found to be without merit and now considered closed by the CCMA.

In terms of the 2022/23 financial year, the CCMA received 34 alleged fraudulent incidents through the CCMA Be Honest Fraud Hotline. Of the 34 fraud incidents reported through the CCMA Be Honest Fraud Hotline, 33 were investigated and found to have no merits. There was one (1) case of fraud and the necessary consequence management action was taken resulting in a termination. The CCMA maintains a zero-tolerance stance against fraudulent or corrupt activities and as such pledges to ensure that appropriate action is taken where proper evidence of fraud is found to exist.

## 13. GIFTS, DONATIONS AND SPONSORSHIP REGISTER

The Governing Body of the CCMA approved the Policy and Standard Operating Procedure on Gifts, Donations and Sponsorships aimed at regulating the process of granting and receiving of gifts, donations and sponsorships by the CCMA and its employees. Reminders for employees to declare are communicated monthly and declared gifts, donations and sponsorships are reported to the governance structures every quarter.

During the 2022/23 financial year, 36 declarations were received and captured on the CCMA Gifts, Donations, and Sponsorships Register. From the 36 received declarations, 27 related to gifts declared by CCMA officials and were accepted as they were within the R350 threshold prescribed in the Policy on Gifts, Donations and Sponsorships; the CCMA approved the acceptance of two (2) donations and seven (7) sponsorships in accordance with the CCMA Policy on Gifts, Donations and Sponsorship.





The GSEC exercised stringent oversight over the Gifts, Donations and Sponsorships Register during the 2022/23 financial year.

## **14. MINIMISING CONFLICT OF INTEREST**

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

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

## **15. CODE OF CONDUCT**

The CCMA is committed to an exemplary standard of business ethics and transparency in all its dealings with stakeholders. Governing Body members, Commissioners and employees are bound by respective Codes of Conduct.

## **16. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

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

To ensure a healthy and safe working environment, the CCMA has established a footprint of OHS Committees across the CCMA offices and conduct regular safety inspections to assess the effectiveness of health and safety measures. The CCMA also conducts regular training to ensure its employees are up to date with the legislative requirements and especially their role in ensuring a safe working environment.



## 17. COMPANY/BOARD SECRETARY

The CCMA is a Schedule 3A public entity with an appointed Governing Body Secretary function performed by Governance and Secretariat Services Unit, which reports to the Governance and Strategy Department. This function provides advice and supports the Governing Body and is vital to its efficient functioning. As such, the position plays a central role in the governance and administration of the organisation's affairs. In the discharge of the Governing Body Secretary's duties, the individual makes members of the Governing Body aware of any laws and regulations relevant to or affecting the CCMA.

The position was vacant for the duration of the 2022/23 financial year. Subsequently, the Executive overseeing the Governance and Strategy Department undertook the role of the caretaker to the Governing Body Secretary function.

## 18. SOCIAL RESPONSIBILITY

The CCMA views social responsibility as an essential aspect of good corporate governance, and in acting in the best interests of all stakeholders, the CCMA prioritises ethical leadership, responsible corporate citizenship, stakeholder inclusivity and integrated thinking. During the 2022/23 financial year, the CCMA made significant strides in meeting its social responsibility objectives. Key accomplishments include:

**Socio-economic development:** In a demonstration of good corporate citizenship, the CCMA, through its Nelson Mandela Legacy Flagship Programme, donated R22 900.00 to the Gift of the Givers Foundation for their KwaZulu-Natal (KZN) Flood Relief Project, aimed at assisting the disaster-stricken communities with, among others, infrastructural repairs to schools and health facilities, and providing hot meals, blankets, bottled water, warm clothes, sanitary pads and diapers. Furthermore, in commemoration of the International Mandela Day, the CCMA's provincial offices including its National Office donated food parcels, educational materials and other non-perishables to identified beneficiaries within their community.

**Information and Knowledge Sharing:** As part of extending assistance to its Southern African Development Community (SADC) counterparts, the CCMA hosted the Namibian Office of the Labour Commissioner for a five (5)-day benchmark visit. The benchmark visit provided the Namibian delegation with insights into Alternative Dispute Resolution (ADR) industry best practices, legislative framework, corporate governance, case management, and rules that they can consider and adopt in order to improve and accelerate dispute resolution within their jurisdiction. The CCMA also participated in an International Industrial Relations Agencies meeting held in Washington, DC, for information-sharing sessions.

**Capacity building:** The CCMA in collaboration with the Tshwane University of Technology's Department of Law (Faculty of Humanities) hosted a Youth in Labour Think Tank (YLTT) under the theme "*Effects of unemployment, inequality and poverty on SA youth*". The session targeted third-year students registered for the Labour Relations course and gave them an opportunity to engage and interrogate presentations made by the CCMA, the Commission for Employment Equity (CEE), the Department of Women, Youth and Persons with Disabilities (DWYPD) and the National Youth Development Agency. Among others, the session equipped the students with the interpretation and application of case law, which is imperative in their field of study.

**Community engagement:** In support of the Presidential Youth Employment initiative, the CCMA hosted its final rendition of the YLTT at the South African Association of Youth Clubs (SAAYC), Etwatwa East, Gauteng. As part of the programme, the youth at the Centre were exposed to the operations of the CCMA and the Commissioner profession. Furthermore, the CCMA in collaboration with the National Youth Development Agency and Harambee Youth Employment Accelerator, assisted with computer classes and exposed the youth to various ICT related programmes such as cloud computing,



software development, computer programming, data centre (server room) control and management, and how to access various avenues for financial and non-financial support (business plan compilation, website development and various processes for entrepreneurs) aimed at youth development.

**Youth empowerment and skill-building:** The CCMA's Provincial Offices and the National Office hosted girl-children under the "Cell C Take a Girl Child to Work" programme and boy-children under the "Tracker Tomorrow's Man" programme, with the aim of empowering them to become responsible confident, and successful youngsters, who positively contribute to the advancements of their respective communities and greater society. As part of the respective initiatives, the children were workshopped on the CCMA operations and as part of experiential learning, the learners were paired with mentors for guidance, support and valuable insights into personal and professional growth. Further information on how to access scholarships, tertiary funding through the National Student Financial Aid Scheme and entrepreneurial opportunities were shared with the learners.

**Continuous professional development:** The CCMA hosted the 2022 CCMA Indaba and Service Excellence Awards which provided a platform for CCMA Commissioners and invited staff to share the stage with industry experts, to deliberate on matters that affect the CCMA operational environment and the labour market. *A Rules, Forms and New Award Template Training Session* for CCMA Commissioners and bargaining council panellists was also held, providing an update on the amended CCMA rules. These sessions not only capacitated the stakeholders with industry knowledge but also fostered integrative thinking, facilitated improved decision-making, enhanced communication, and increased trust with internal stakeholders as part of the organisational brand and reputational management.

**Thought leadership:** the CCMA hosted an Annual Labour Conference 2022 that served as capacity building for organised business, organised labour and community constituencies. The conference reflected and discussed current issues as well as envisioned the future. The conference further enabled robust social dialogue between local and international delegates and inputs into policy and legislative processes affecting the labour market, which in turn, enhance contribution to workplace transformation, economic development and advancement, social justice, labour peace and equity.





## 19. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

### 19.1. ARC MEMBERSHIP

As per the approved ARC Charter, the ARC is comprised of seven (7) members: three (3) appointed Governing Body Members and four (4) independent members. During the 2022/23 financial year, an independent member of the ARC, Mr V Makaleni resigned from the ARC on 30 April 2022. One (1) independent member, Ms Y Mjiako was appointed with effect from 03 August 2022. The ARC was duly constituted during the 2022/23 financial year.

### 19.2. ROLES AND RESPONSIBILITIES

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

The work of the ARC for the 2022/23 financial year was governed by the 2022/23 ARC Work Plan, which outlined the activities of the ARC for the financial year. The ARC executed all its planned activities for the 2022/23 financial year, with no activities outstanding. The ARC discharged its roles and responsibilities on the following matters:

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

### 19.3. ARC MEETINGS

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

### 19.4. THE EFFECTIVENESS OF INTERNAL CONTROLS

The ARC performed its oversight role in ensuring reliability and accuracy of financial reporting, performance management, effective governance, business continuity, and ethics management as well as risk and compliance management. Furthermore, the ARC also exercised oversight over the performance of the ICT function, activities, and risks. The ARC also applied oversight over the Internal Audit Department, which also facilitated the implementation of the combined assurance model.

Through the review of Management Reports and ARC Sub-committees' reports, namely ICT Steering Committee and Executive Risk and Compliance Management Committee, the ARC took decisive actions to address the internal control deficiencies when it was considered necessary and made appropriate recommendations where required to the Governing Body. The ARC notes that the CCMA Management maintained a clean administration for the current financial year.

### 19.5. GOING CONCERN

The ARC obtained assurance that there were no events or conditions identified that cast significant doubt on the organisation's ability to continue as a going concern. The ARC is satisfied that the organisation is a going concern. The ARC has recommended the consolidated Annual Financial Statements (AFS) and Annual Performance Report (APR) for approval by the Governing Body.





## 19.6. SECOND LINE AND THIRD LINE OF DEFENCE

The ARC notes that the second and third line of defence were effective for the period under review. Second and third line of defence provides reasonable assurance about the state of internal financial controls and the level of maturity of the control environment in general, which were found to be adequate and effective for the current financial year. The control environment for performance information is partially adequate and partially effective. As a result, there were no material findings identified by the external auditors for the current financial year.

## 19.7. COMBINED ASSURANCE

CCMA has adopted a combined assurance model to strengthen the internal control environment and enhance the assurance obtained from management, and internal and external assurance providers. A combined assurance framework is in place and is governed by the Combined Assurance Forum (CAF) to support the embedding of combined assurance across the organisation, the results of which are communicated to the ARC and Governing Body for consideration. The CAF comprises of nominated representatives from across the organisation. CCMA's combined assurance responds to risks effected through the five lines of defence model.

## 19.8. ACTION PLANS

The ARC continued to monitor implementation of Management's corrective action plans as they arose from assurance providers' reports. This process has created an environment that has efficient and effective internal controls. The ARC is committed to effectively monitor the implementation of the agreed corrective action plans to prevent repeat findings.

## 19.9. EXTERNAL AUDIT

Discussions were held with the external auditors on the results of their audits. The results confirmed that an adequate system of internal control is being maintained within the organisation. The ARC concurs and accepts the AGSA's conclusions on the audit of the AFS, APR and compliance with legislation for the 2022/23 financial year, as per the AGSA Report. Accordingly, the ARC recommended the AGSA Report to the Governing Body.

## 19.10 WORDS OF APPRECIATION

I would like to thank the ARC Committee members, both Governing Body, together with Management and Internal Audit for their contributions in supporting the work of the ARC for the financial year under review.

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**TRACY CUMMING**  
**CHAIRPERSON OF THE CCMA ARC**



## 20. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table should be completed in accordance with the compliance to the B-BBEE requirements as required by the BBEE Act, 2003 (Act No. 53 of 2003) and as determined by the Department of Trade and Industry. Where there has been no or only partial compliance with the criteria, the entity should provide a discussion and also indicate the measures taken to comply.

**TABLE 36: B-BBEE COMPLIANCE PERFORMANCE INFORMATION**

Has the sphere of government/public entity/organ of state applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regards to the following:		
CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not applicable in the current financial year.
Developing and implementing a preferential procurement policy	Yes	The CCMA has adopted and is implementing.
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable in the current financial year.
Developing criteria for entering into partnerships with the private sector	No	Not applicable in the current financial year.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE	No	Not applicable in the current financial year.



**PART D:**  
**HUMAN  
RESOURCE  
MANAGEMENT**



## 1. INTRODUCTION

During the 2022/23 financial year, the Human Resources Management function has continued to support the strategic objectives of the CCMA. The Human Resources Strategy is in place and was communicated to the CCMA's employees.

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

### 1.1. PERFORMANCE, KEY ACHIEVEMENTS AND STRATEGIC INITIATIVES FOR THE 2022/23 FINANCIAL YEAR

Talent Management is an activity that spans across all components of the human resource value chain and includes recruitment and internal appointments, acting appointments, performance management as well as skills development interventions.

Resourcing of the organisation continued to be the primary focus, considering the organisation's fiscal challenges. Appointments to vacant roles were made from both internal and external candidates. Almost 55% of vacant positions were filled by 67 internal candidates. However, it is also noted that external appointments take the organisation in a new direction and initiate organisation turnaround strategies as they bring with them fresh thinking and new ideas. The CCMA is comfortable that it has achieved a balance between the appointment of external and internal candidates.

The focus on the development of employees, as well as the part-time Commissioners continued. During the period under review, 72 training interventions were delivered to employees and part-time Commissioners through digital platforms. Three (3) employees benefited from the partnership which the organisation has with the University of Witwatersrand. The employees were awarded a scholarship to complete the Post Graduate Diploma in Labour Dispute Resolution Practice on mutual beneficiation basis. This initiative is in line with enhancing the knowledge base of CCMA employees on labour law, to support career pathing and succession planning.

Performance Management is a focus area, and a number of interventions were delivered to further strengthen this process. The link between training needs and the performance development was also improved with closer alignment of the two (2) processes.

During 2022/23 financial year, the CCMA continued to provide the organisation with support to meet the health and wellness needs of the CCMA employees. This was done through preventative and curative measures in line with the core themes that were identified during the COVID-19 Pandemic and beyond.

The relationship between the CCMA Staff Association and management remains sound with parties having signed a one (1) year wage and substantive agreement which is effective from 1 April 2022 to 31 March 2023.

Reported employee relations incidents for the year remained relatively low in relation to the total staff complement. Matters are dealt with on merit, with outcomes remaining consistent in the management of discipline. The caseload relating to disputes is positively decreasing as disputes are distinctly resolved between parties.



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

Human Resources Management will continue to encourage the CCMA's leadership structure to invest in its talent through the overarching Talent Management Programme and its related activities, as well as ensuring that robust performance management processes are undertaken across all levels of the organisation. Although, due to budgetary constraints, there have been some delays in the implementation of technology-driven business solutions to enhance the speed and quality of the Human Resource function, this will be a continued focus in collaboration with the ICT function.

## **2. HUMAN RESOURCE OVERSIGHT STATISTICS**

Below are the Human Resource Management oversight statistics for the 2022/23 financial year.



The table below illustrates the CCMA's employee demographics for the 2022/23 financial year.

**TABLE 37: CCMA EMPLOYEE DEMOGRAPHICS**

OCCUPATIONAL LEVEL	JOB GRADE	FEMALE						MALE						GRAND TOTAL			
		A			SUB TOTAL			A			SUB TOTAL						
		C	I	W	FOREIGN NATIONAL	FOREIGN NATIONAL	FOREIGN NATIONAL	C	I	W	FOREIGN NATIONAL	FOREIGN NATIONAL	FOREIGN NATIONAL				
Top management	P01 and P02	2	0	0	0	2	0	0	0	0	0	0	0	0	0	2	4
Senior management	P03	0	1	0	1	2	0	0	0	0	0	0	0	0	0	9	11
Professionally qualified	P04 P05 and P06	74	13	8	11	107	1	1	1	107	91	11	2	7	5	116	223
Skilled technical	P07 P08 P09 P10 P11 and P12	324	35	6	10	376	1	1	1	376	227	7	3	1	1	239	615
Semi-skilled	P13 and P14	18	3	0	0	21	0	0	0	21	20	3	0	0	0	23	44
Unskilled	P17	9	0	0	0	10	1	1	1	10	3	0	0	0	3	13	13
<b>TOTAL PERMANENT</b>		<b>427</b>	<b>52</b>	<b>14</b>	<b>22</b>	<b>518</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>518</b>	<b>352</b>	<b>21</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>392</b>	<b>910</b>
Temporary employees		1	0	0	2	4	1	1	1	4	9	0	0	1	0	10	14
<b>GRAND TOTAL</b>		<b>428</b>	<b>52</b>	<b>14</b>	<b>24</b>	<b>522</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>522</b>	<b>361</b>	<b>21</b>	<b>5</b>	<b>9</b>	<b>6</b>	<b>402</b>	<b>924</b>

The table below illustrates the CCMA Core Personnel for the 2022/23 financial year. This accounts to 66.26 % of the employee complement and ensures the CCMA is capacitated to deliver on its mandate.

**TABLE 38: CCMA CORE PERSONNEL**

DESIGNATION	FEMALE						MALE						GRAND TOTAL			
	A			SUB TOTAL			A			SUB TOTAL						
	C	I	W	FOREIGN NATIONAL	FOREIGN NATIONAL	FOREIGN NATIONAL	C	I	W	FOREIGN NATIONAL	FOREIGN NATIONAL	FOREIGN NATIONAL				
Case Management Officers	134	19	4	3	0	160	60	3	0	1	0	0	0	0	64	224
Commissioners	48	9	3	8	1	69	78	10	2	6	1	1	1	1	97	166
Interpreters	102	5	0	0	0	107	105	1	1	1	1	1	1	1	106	213
<b>TOTAL PERMANENT</b>	<b>284</b>	<b>33</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>336</b>	<b>243</b>	<b>14</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>267</b>	<b>603</b>



### 3. PERSONNEL COST BY DEPARTMENT/PROVINCE

The personnel cost per department/province for the 2022/23 financial year is tabulated below.

**TABLE 39: PERSONNEL COST PER DEPARTMENT/PROVINCE**

DEPARTMENT/ PROVINCE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP.	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Province	741 240	410 838	55.4%	809	508
Office of the director	10 340	8 010	77.5%	8	1 001
Finance	141 959	91 601	64.5%	60	1 527
Dispute resolution	41 778	28 088	67.2%	25	1 124
Internal audit	14 407	10 222	71.0%	13	786
Ict	52 424	20 198	38.5%	25	808
Corporate services	27 074	20 040	74.0%	35	573
Essential services committee	7 157	2 219	31.0%	3	740
Governance and strategy	36 631	26 438	72.2%	35	755
<b>TOTAL</b>	<b>1 073 010</b>	<b>617 654</b>	<b>57.6%</b>	<b>1 013</b>	<b>610</b>

Number of employees include permanent and fixed term as of 31 March 2023 including employees who terminated during the financial year.

### 4. PERSONNEL COST BY SALARY BAND

The personnel cost per salary band for the 2022/23 financial year is tabulated below:

**TABLE 40: PERSONNEL COST BY SALARY BAND**

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000 )
Top management	18 938	3.07%	6	3 156
Senior management	32 309	5.23%	13	2 485
Professionally qualified	237 460	38.45%	267	889
Skilled technical	316 548	51.25%	663	477
Semi-skilled	10 465	1.69%	51	205
Unskilled	1 934	0.31%	13	149
<b>TOTAL</b>	<b>617 654</b>	<b>-</b>	<b>1 013</b>	<b>610</b>

Number of employees include permanent and fixed term as of 31 March 2023 including employees who terminated during the financial year.





## 5. PERFORMANCE REWARDS

The performance rewards issued during the 2022/23 financial year are tabulated below:

**TABLE 41: PERFORMANCE REWARDS**

OCCUPATIONAL LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top management/senior management	10 311	51 247	1.67%
Professionally qualified	18 582	237 460	3.01%
Skilled technical	12 228	316 548	1.98%
Semi-skilled	272	10 465	0.04%
Unskilled	62	1 934	0.01%
<b>TOTAL</b>	<b>41 455</b>	<b>617 654</b>	<b>6.71%</b>

## 6. TRAINING COSTS

The training costs of the 2022/23 financial year- tabulated below:

**TABLE 42: TRAINING COSTS**

OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST.	NUMBER OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE (R'000)
Provide for continuous professional development aligned with the needs of the organisation and our people	617 654	6 763	1.09%	1 798	3.76

## 7. EMPLOYMENT AND VACANCIES

The table below outlines the employment and vacancy statistics for the 2022/23 financial year.

**TABLE 43: EMPLOYMENT AND VACANCIES**

OCCUPATIONAL LEVEL	2021/22 NUMBER OF EMPLOYEES	2022/23 APPROVED POSTS	2022/23 NUMBER OF EMPLOYEES	2022/23 VACANCIES	% OF VACANCIES
Top management	4	5	4	2	5.26%
Senior management	13	14	11	1	2.63%
Professionally qualified	216	244	223	22	57.89%
Skilled technical	631	649	615	11	28.95%





OCCUPATIONAL LEVEL	2021/22 NUMBER OF EMPLOYEES	2022/23 APPROVED POSTS	2022/23 NUMBER OF EMPLOYEES	2022/23 VACANCIES	% OF VACANCIES
Semi-skilled	47	49	44	2	5.26%
Unskilled	13	13	13	0	0.00%
<b>TOTAL</b>	<b>924</b>	<b>974</b>	<b>910</b>	<b>38</b>	<b>100.00%</b>

## 8. EMPLOYEE CHANGES

The table below outlines the employment changes in the 2022/23 financial year.

**TABLE 44: EMPLOYMENT CHANGES**

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	NET INTERNAL APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top management	4	1	1	2	4
Senior management	13	0	0	2	11
Professionally qualified	216	22	4	19	223
Skilled technical	631	23	3	42	615
Semi-skilled	47	10	-8	5	44
Unskilled	13	0	0	0	13
<b>Total</b>	<b>924</b>	<b>56</b>	<b>0</b>	<b>70</b>	<b>910</b>

## 9. REASONS FOR EMPLOYEES LEAVING

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

**TABLE 45: REASONS FOR EMPLOYEE LEAVING**

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	0.10%
Resignation	46	4.69%
Dismissal	9	0.92%
Retirement	12	1.22%
Ill health	0	0.00%
Expiry of contract	2	0.21%
Other	-	-
<b>Total</b>	<b>70</b>	<b>7.14%</b>



## 10. LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTIONS

The table below outlines the various forms of consequence management practices implemented within the 2022/23 financial year.

**TABLE 46: CONSEQUENCE MANAGEMENT STATISTICS**

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	13
Written warning	50
Final written warning	36
Suspensions	9
Demotions	0
Terminations	-
Resignations	2
Dismissal	9

## 11. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

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

**TABLE 47: EQUITY TARGETS AND EMPLOYMENT EQUITY OF MALE EMPLOYEES BY OCCUPATIONAL CATEGORY**

OCCUPATIONAL CATEGORY	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	2	2	0	0	0	0	0	1
Senior management	9	8	0	1	0	1	0	0
Professionally qualified	91	103	11	13	2	4	7	10
Skilled technical	227	260	7	16	3	1	1	1
Semi-skilled	20	21	3	3	0	1	0	1
Unskilled	3	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>352</b>	<b>397</b>	<b>21</b>	<b>33</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>13</b>





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

**TABLE 48: EQUITY TARGETS AND EMPLOYMENT EQUITY OF FEMALE EMPLOYEES BY OCCUPATIONAL CATEGORY**

OCCUPATIONAL CATEGORY	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	2	3	0	0	0	0	0	0
Senior management	0	1	1	0	0	0	1	1
Professionally qualified	74	82	13	12	8	7	11	10
Skilled technical	324	335	35	30	6	5	10	10
Semi-skilled	18	20	3	4	0	1	0	1
Unskilled	9	9	0	0	0	0	0	0
<b>TOTAL</b>	<b>427</b>	<b>450</b>	<b>52</b>	<b>46</b>	<b>14</b>	<b>13</b>	<b>22</b>	<b>22</b>

The table below outlines the statistics of employees with disabilities.

**TABLE 49: EMPLOYEES WITH DISABILITIES**

OCCUPATIONAL LEVELS	EMPLOYEES WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	0	1	0	1
Professionally qualified	3	2	4	0
Skilled technical	4	12	7	12
Semi-skilled	1	1	0	1
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>16</b>	<b>11</b>	<b>14</b>





**PART E:**  
**PFMA**  
**COMPLIANCE**  
**REPORT**

FOX 127



## 1. INTRODUCTION

This section provides guidance on the information to be included in the annual report guide relating to PFMA (1999, as amended) compliance requirements.

### 1.1. INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

The following is guidance on the information that should be disclosed by institutions in the Annual Report per the PFMA (1999, as amended) and the relevant frameworks.

### 1.2. IRREGULAR EXPENDITURE

The table below outlines reconciliation of irregular expenditure for the 2022/23 financial year.

**TABLE 50: RECONCILIATION OF IRREGULAR EXPENDITURES**

DESCRIPTION	2022/23	2021/22
Opening balance	-	-
Add: Irregular expenditure confirmed	36 601	73 341
Less: Irregular expenditure written off	-	-
Less: Irregular expenditure recoverable	(36 601)	(73 341)
Closing balance	-	-

The table below outline the reconciling notes for the 2022/23 financial year.

**TABLE 51: RECONCILING NOTES**

DESCRIPTION	2022/23	2021/22
	R	R
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	73 341
Irregular expenditure for the current year	36 601	-

During the year ended 31 March 2023, an amount of R73 341 was identified as irregular expenditure incurred in the 2021/22 financial year but was identified in the 2022/23 financial year.

The table below outlines details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation).

**TABLE 52: DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)**

DESCRIPTION	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	-	-

During the 2017/18 financial year, an amount of R4 676. Incurred and in 2020/21 financial year, it was identified as a



possible irregular expenditure. However, as at 31 March 2023, this amount is still under assessment.

The table below outlines details of current and previous year irregular expenditure recovered.

**TABLE 53: DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED**

DESCRIPTION	2022/23	2021/22
		R
Irregular expenditure recovered	36 601	73 341
<b>Total</b>	<b>36 601</b>	<b>73 341</b>

One (1) case was assessed during the year 2022/23 and was found to have contravened the applicable laws and regulations. Based on the root cause, a recommendation was made by the Loss and Control Committee (LCC) that the expenditure be recovered.

The table below outlines details of current and previous years' irregular expenditure not recovered and written off.

**TABLE 54: DETAILS OF CURRENT AND PREVIOUS YEARS' IRREGULAR EXPENDITURE NOT RECOVERED AND WRITTEN OFF**

DESCRIPTION	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

No cases of irregular expenditure was written off.

The table below outlines details of current and previous years' disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.

**TABLE 55: DETAILS OF CURRENT AND PREVIOUS YEARS' DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE**

DISCIPLINARY STEPS TAKEN
None

There was no disciplinary action taken, however, there was a recommendation of recovery of the amount of the irregular expenditure by the LCC.

### 1.3. FRUITLESS AND WASTEFUL EXPENDITURE

The table below outlines reconciliation of fruitless and wasteful expenditure for the 2022/23 financial year.

**TABLE 56: RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE**

DESCRIPTION	2022/23	2021/22
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	43 916	48 617
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	(43 916)	(48 617)
Closing balance	-	-



The table below outline the reconciling notes for the 2022/23 financial year.

**TABLE 57: RECONCILING NOTES**

DESCRIPTION	2022/23	2021/22
	R	R
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	48 617
Fruitless and wasteful expenditure for the current year	43 916	-

The table below outlines details of current and previous years' fruitless and wasteful expenditure (under assessment, determination, and investigation).

**TABLE 58: DETAILS OF CURRENT AND PREVIOUS YEARS' FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)**

DESCRIPTION	2022/23	2021/22
	R	R
Fruitless and wasteful expenditure under assessment	69 022	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total</b>	<b>69 022</b>	<b>-</b>

Six (6) cases were identified and recorded relating to the 2022/23 financial year. During the 2022/23 financial year, an amount of R69 022 was identified as a possible fruitless and wasteful expenditure, which was still under assessment as at 31 March 2023.

The table below outlines details of current and previous years' fruitless and wasteful expenditure recovered.

**TABLE 59: DETAILS OF CURRENT AND PREVIOUS YEARS' FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED**

DESCRIPTION	2022/23	2021/22
		R
Fruitless and wasteful expenditure recovered	43 916	48 617
<b>Total</b>	<b>43 916</b>	<b>48 617</b>

Eight (8) cases were assessed during the 2022/23 financial year and found to have contravened the applicable laws and regulations. Seven (7) of the cases related to the fruitless and wasteful expenditure that occurred in the 2022/23 financial year, while one (1) case occurred in the 2021/22 financial year. Based on the root causes, the LCC recommended that the expenditure be recovered.

The table below outlines details of current and previous years' fruitless and wasteful expenditure not recovered and written off.

**TABLE 60: DETAILS OF CURRENT AND PREVIOUS YEARS' FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF**

DESCRIPTION	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





The table below outlines details of current and previous years' disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.

**TABLE 61: DETAILS OF CURRENT AND PREVIOUS YEARS' DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE**

DISCIPLINARY STEPS TAKEN	
None	

There was no disciplinary action taken, however, there was recommendation of recovery of the amounts of the fruitless and wasteful expenditure by the LCC.

#### 1.4. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA (1999, AS AMENDED) SECTION 55(2)(B)(I) & (III))

The table below outlines the additional disclosure relating to material losses in terms of PFMA (1999, as amended).

**TABLE 62: MATERIAL LOSSES THROUGH CRIMINAL CONDUCT**

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	2022/23	2021/22
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The table below outlines the details of other material losses for the 2022/23 financial year.

**TABLE 63: DETAILS OF OTHER MATERIAL LOSSES**

NATURE OF OTHER MATERIAL LOSSES	2022/23	2021/22
	R'000	R'000
None	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*There was no case of material losses.*



The table below outlines other material losses recovered.

**TABLE 64: OTHER MATERIAL LOSSES RECOVERED**

NATURE OF LOSSES	2022/23	2021/22
	R'000	R'000
None	-	-
<b>Total</b>	-	-

*There was no case of material losses.*

The table below outlines other material losses that were written off.

**TABLE 65: OTHER MATERIAL LOSSES THAT WERE WRITTEN OFF**

NATURE OF LOSSES	2022/23	2021/22
	R'000	R'000
None	-	-
<b>Total</b>	-	-

*There was no case of material losses*

## 2. INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

The table below outline the information on the late and/or non-payment of suppliers during the 2022/23 financial year.

**TABLE 66: INFORMATION ON LATER AND/OR NON-PAYMENT OF SUPPLIERS**

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R'000
Valid invoices received	16 026	223 832
Invoices paid within 30 days or agreed period	13 644	208 960
Invoices paid after 30 days or agreed period	1 941	12 697
Invoices older than 30 days or agreed period ( <i>unpaid and without dispute</i> )	441	2 176
Invoices older than 30 days or agreed period ( <i>unpaid and in dispute</i> )	0	0

*For 2022/23 financial year, CCMA received a total of 16 026 invoices. Out of these invoices, 1 941 invoices were paid after 30 days due to the late submission of banking details for both new and old suppliers as when the banking details changes. The other contributing factor is due to the partial delivery of goods and services. Lastly, the 441 invoices relate to the services that have been rendered, however, the supplier has not yet submitted the invoices for payment.*



### 3. INFORMATION ON SUPPLY CHAIN MANAGEMENT

The table below outlines the information on the procurement made by other means during the 2022/23 financial year.

**TABLE 67: PROCUREMENT BY OTHER MEANS**

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
CaseWare Licences	ADAPT IT	Sole service provider	CCMADIV-18-94	285 006.80
Training programme for ethics officers	Ethics Institute (TEI) of South Africa	Sole service provider	CCMADIV-18-95	33 915.00
Courier services	Skynet SA (Pty) Ltd	Single source	CCMADIV-18-96	10 350.00
Internal auditing training for internal auditors	Institute of Internal Auditors South Africa (IIASA)	Sole service provider	CCMADIV-18-97	99 786.65
Annual membership fees	Information Systems Audit & Control Association (ISACA)	Sole service provider	CCMADIV-18-98	2 678.05
Annual membership fees	Institute of Internal Auditors South Africa (IIASA)	Sole service provider	CCMADIV-18-99	20 286.00
Annual membership fees	Compliance Institute of South Africa (CISA)	Sole service provider	CCMADIV-18-100	2 950.00
Annual membership fees	Institute of Risk Management South Africa (IRMSA)	Sole service provider	CCMADIV-18-101	2 587.99
Uninterrupted Power Supply (UPS) Unit	Tshivhonda Business Solutions	Emergency procurement	CCMADIV-18-102	16 067.80
Asset auditor software licence	Digital Matter (Pty) Ltd	Sole service provider	CCMADIV-18-103	64 319.50
Cloud consumption Azure & 35 Microsoft Power licences	Microsoft Ireland Operations	Sole service provider	CCMADIV-18-104	8 240 707.66
Annual membership fees	Information Systems Audit & Control Association (ISACA)	Sole service provider	CCMADIV-18-105	2 494.63
Annual licences, supply, support & maintenance	Frama (Pty) Ltd	Sole service provider	CCMADIV-18-106	470 275.07
<b>TOTAL</b>				<b>R9 151 638.50</b>





The table below outlines contract variations and expansions for the 2022/23 financial year.

**TABLE 68: CONTRACT VARIATIONS AND EXPANSIONS**

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Design & development of CCMA website	Stride IT Business Solutions (Pty) Ltd	Expansion	CCMA-VA-19-120	375 590.00	R0.00	0
Radio transmitter & alarm maintenance	Jubzin Security	Expansion	CCMA-VA-19-122	15 995.37	1 332.95	12 896.28
Human guarding security services	Jubzin Security	Expansion	CCMA-VA-19-123	412 620.00	34 385.00	332 674.92
Cleaning services	Kameso Total Hygiene	Expansion	CCMA-VA-19-124	201 480.00	16 790.00	160 176.60
Human guarding security services	Fidelity Security Services (Pty) Ltd	Expansion	CCMA-VA-19-125	138 973.87	12 794.56	115 151.01
Employee Health & Wellness Programme	Careways Wellness	Expansion	CCMA-VA-19-126	3 000 000.00	0	0
Short-term insurance	Marsh (Pty) Ltd	Expansion	CCMA-VA-19-127	375 590.00	154 203.50	161 913.70
Maintenance of existing access control and CCTV cameras	Raps Electronic Solutions (Pty) Ltd t/a Raps Systems	Expansion	CCMA-VA-19-128	34 155.00	4 298.70	8 597.40
Hygiene services	Maanda-Nes Investments	Expansion	CCMA-VA-19-129	112 102.43	12 306.94	98 455.55
Hygiene services	Tshipembe Mzansi Projects	Expansion	CCMA-VA-19-130	94 444.90	0	R48 851.66
Supply, delivery and maintenance of purified water & coolers	Pureau Fresh Water Company	Expansion	CCMA-VA-19-131	147 177.83	11 902.00	27 772.50
Alarm systems and 24-hour armed response	Fidelity ADT and Technical (Pty) Ltd	Expansion	CCMA-VA-19-132	18 984.70	1 897.50	3 795.00
Human guarding security services	Fidelity Security Service (Pty) Ltd	Variation	CCMA-VA-19-133	1 187 301.19	0	101 576.40





PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Cleaning services	Maanda-Nes Investments	Variation	CCMA-VA-19-134	425 520.00	0	27 186.00
Alarm systems and armed response	Jubzin Security	Expansion	CCMA-VA-19-135	11 741.50	0	7 714.24
Maintenance of biometrics access control system	Omega Fire and Security (Pty) Ltd	Expansion	CCMA-VA-19-136	136 926.66	0	21 850.00
Human guarding security services	Fasimba Facilities Management t/a Security.com	Variation	CCMA-VA-19-137	985 557.95	0	93 862.63
Human guarding security services	Eldna Security Services	Variation	CCMA-VA-19-138	2 725 336.47	0	98 191.12
Cleaning services	Maanda-Nes Investments	Expansion	CCMA-VA-19-139	287 922.60	0	341 044.32
Cleaning services	Bidvest Steiner (Pty) Ltd	Variation	CCMA-VA-19-140	242 895.96	0	26 661.16
Symantec end protection licence	4IR Holdings (Pty) Ltd	Expansion	CCMA-VA-19-141	272 161.00	0	297 580.00
Cleaning services	Prime African Security	Variation	CCMA-VA-19-142	374 090.00	0	24 987.20
Support & maintenance of vulnerability compliance solution	Opower Solutions (Pty) Ltd	Expansion	CCMA-VA-19-143	195 700.40	0	71 233.06
Human guarding security services	Fidelity Security Services	Variation	CCMA-VA-19-144	128 660.37	0	49 282.08
Cleaning services	Lifeshield Home Security & Projects	Variation	CCMA-VA-19-145	103 500.00	58 777.20	29 900.00
Cleaning services	M-Jnr Olwethu Consulting (Pty) Ltd	Variation	CCMA-VA-19-146	713 003.40	58 777.20	63 660.14
Adobe SAAS renewal	Ezevee Computer Solutions	Expansion	CCMA-VA-19-147	66 696.88	0	66 493.79
Hygiene services	Supercare Hygiene (Pty) Ltd	Expansion	CCMA-VA-19-148	34 803.60	0	34 803.60





PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Hygiene services	Servest (Pty) Ltd	Expansion	CCMA-VA-19-149	358 026.37	51 170.52	121 792.72
Hygiene services	Kameso Total Hygiene	Expansion	CCMA-VA-19-150	118 869.75	0	95 100.40
Hygiene services	Bidvest Steiner (Pty) Ltd	Expansion	CCMA-VA-19-151	128 309.61	0	22 558.92
Human guarding security services	Jubzin Security	Expansion	CCMA-VA-19-152	295 044.00	24 587.00	211 448.24
Human guarding security services	Papa Mike Protection Services	Expansion	CCMA-VA-19-153	472 788.00	0	420 256.00
Local Area Network Contract	EOH Mthombo (Pty) Ltd	Expansion	CCMA-VA-19-154	2 965 188.60	0	434 700.00
Alarm systems and 24-hour armed response	Fidelity ADT and Technical (Pty) Ltd	Expansion	CCMA-VA-19-155	8 878.00	1 265.00	5 520.00
Human guarding security services	Sinqobile Equestrian Security Services (Pty) Ltd	Expansion	CCMA-VA-19-156	880 635.85	113 189.80	515 660.72
Warranty for HPE Kit	Apronics (Pty) Ltd	Expansion	CCMA-VA-19-157	250 641.33	0	140 293.76
Office space lease	Rebosis Property Fund	Expansion	CCMA-VA-19-158	56 906 451.46	R0.00	16 624 923.68
Office space lease	Realnet	Expansion	CCMA-VA-19-159	400 232.80	573 496.07	180 004.44
Office space lease	City Property representing Olitzki Properties (OPH)	Expansion	CCMA-VA-19-160	47 124 106.73	R0.00	R9 564 255.60
Office space lease	Delta Property Fund	Expansion	CCMA-VA-19-161	R15 059 111.81	R6 822 551.62	R2 438 905.42
Office space lease	Realty 1 PG Rentals TZ	Expansion	CCMA-VA-19-162	R129 779.10	R923 696.02	R226 278.26
Office space lease	Viking Pony Properties 80	Expansion	CCMA-VA-19-163	R3 085 622.46	R0.00	R615 000.00





PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Office space lease	Michael Family Trust	Expansion	CCMA-VA-19-164	R23 087 012.74	R14 733 482.82	R2 248 193.76
Cleaning services	Maanda-Nes Investments	Variation	CCMA-VA-19-165	R122 472.00	R122 607.96	R28 251.24
Lease parking	City Property representing Heracle Share Block	Variation	CCMA-VA-19-166	R20 917 007.89	R14 119 510.56	R28 980.00
Review of organisational design	4 Chakras Consulting CC	Expansion	CCMA-VA-19-167	R997 280.00	R0.00	R0.00
Office space lease	Redefine Properties Limited	Expansion	CCMA-VA-19-168	R9 433 773.78	R3 365 144.53	R893 911.68
Office space lease	The 78 Partnership	Expansion	CCMA-VA-19-169	R43 995 335.06	R13 261 611.82	R6 100 914.32
Office space lease	Pniel Road Investments cc/ Hostprop 1111 cc	Expansion	CCMA-VA-19-170	R4 377 307.39	R3 830 808.36	R1 022 400.00
Office space lease	Nganya Investments cc/Villaanne Boutique Hotel Group	Expansion	CCMA-VA-19-171	R27 190 496.30	R5 142 190.50	R2 285 418.00
Office space lease	Simmark Investments	Expansion	CCMA-VA-19-172	R21 464 857.61	R7 196 336.84	R1 859 518.56
Office space lease	Vukile Property Fund represented by Broll Property Group Ltd	Expansion	CCMA-VA-19-173	R2 133 440.50	R3 300 840.60	R436 747.83
Office space lease	Michael Family Trust	Expansion	CCMA-VA-19-174	R23 087 012.74	R14 733 482.82	R2 248 193.76
Office space lease	City Property Obo of Heracle Shareblock	Expansion	CCMA-VA-19-175	R21 440 048.14	R17 283 189.36	R3 163 678.80
Office space lease	Border Remedies (Pty) Ltd	Expansion	CCMA-VA-19-176	R10 908 068.65	R7 437 537.60	R1 859 518.56





PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Cloud based IT Service Management	Pink Elephant ITSM Support Solutions (Pty) Ltd	Expansion	CCMA-VA-19-177	2 615 560.00	R0.00	R25 328.75
<b>Total</b>					<b>R113 404 165.35</b>	<b>R56 144 063.78</b>







**PART F:**  
**FINANCIAL**  
**INFORMATION**





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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

1. I have audited the financial statements of the Commission for Conciliation, Mediation and Arbitration set out on pages 128 to 189, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Commission for Conciliation, Mediation and Arbitration as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### OTHER MATTER

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

### NATIONAL TREASURY INSTRUCTION NOTE NO. 4: PFMA COMPLIANCE AND REPORTING FRAMEWORK OF 2022-23

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 33 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Commission for Conciliation, Mediation and Arbitration.





The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

## **RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS**

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

## **RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

## **REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.





Programme	Page numbers	Purpose
<b>Programme 2 - proactive and relevant labour market intervention</b>	39 - 46	Through the implementation of the dispute prevention and workplace outreach (DP&WO) services and projects to transform and build relations and capacity in the workplace. This programme aims to respond appropriately and timeously to labour market developments through focus proactive and reactive labour market interventions for successful dispute prevention and management and workplace transformation whilst promoting and supporting social dialogue, democratisation, best employment practices and relationship building in the workplaces.
<b>Programme 3 - special interventions and support</b>	47 - 49	To be the mediatory and arbitration organisation of choice and support national interventions. The CCMA interventions through this programme are aimed at promoting dispute resolution through special mediation and social dialogue. The CCMA interventions through this programme aimed at promoting consensus, community participation, efficient and effective use of financial and human resources in the dispute resolution process.
<b>Programme 4 - efficient and quality dispute resolution and enforcement services</b>	49 - 62	Advance accessible, efficient and quality resolution and enforcement mechanisms, to sufficiently address the growing inequality in the labour market due to external factors changing the nature of work, a proactive approach to the advancement of social justice is required to adequately maintain social cohesion, contribute to labour peace and human advancement and progress.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents



- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
17. I did not identify any material findings on the reported performance information of proactive and relevant labour market intervention, special interventions and support and efficient and quality dispute resolution and enforcement services

## OTHER MATTER

18. I draw attention to the matters below.

## ACHIEVEMENT OF PLANNED TARGETS

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

## MATERIAL MISSTATEMENTS

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of efficient and quality dispute resolution and enforcement services. Management subsequently corrected all the misstatements and I did not include any material findings in this report

## REPORT ON COMPLIANCE WITH LEGISLATION

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.



## OTHER INFORMATION IN THE ANNUAL REPORT

25. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

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

Auditor - General

Pretoria

31 July 2023



## ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

#### PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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

#### FINANCIAL STATEMENTS

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

#### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.





## COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000 (CIBD Act)	Section 18(1)
Construction Industry Development Board Act: Regulations (CIBD regulations)	Reg. 17, Reg. 25(7A)
National Treasury instruction 01 of 2021/2022	Par. 4.1
National Treasury instruction 04 of 2015/2016	SBD 6.2 issued in 2015/16
National Treasury instruction 4A of 2016/17	Par. 3.4, 6
National Treasury instruction 05 of 2020/21	Par. 1, 2, 4.8, 4.9, 5.3,
National Treasury instruction 07 of 2017/18	Par. 4.3
National Treasury instruction 11 of 2020/21	Par. 3.1, 3.4 (b), 3.9
Practice note 05 of 2009/10	Par.3.3
Practice note 07 of 2009/10	Par 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	definition “acceptable tender”, section 2(1)(a), (b), 2(1)(f)
Preferential procurement regulations 2011	Reg. 9(1), 9(5)
Preferential procurement regulations 2017	functionality, 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(8), 7(8), 8(2), 8(5), 9(1), 10(1), 11(1)
Preferential procurement regulations 2022	Reg. 4(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Public Finance Management Act 1 of 1999 (PFMA)	Section 35(4), 38(1)(b), 44, 45(b), 51(1)(b)(ii), 51(1)(e)(iii), 52(b), 54(2)(c), (d), 57(b), 55(1)(a), (b), 55(1)(c)(i)
PFMA instruction 03 of 2021/22	Par.4.1, 4.2(b), 4.3, 4.4, 4.4(c), 4.4(d), 7.2
Public Service regulation	Reg. 18(1), (2)
Supply Chain Management (SCM) instruction 03 of 2016	Note 3, 6
Supply Chain Management (SCM) instruction 02 of 2021/22	Par.3.2.1, 3.2.4, 3.3.1, 4.1.
State Information Technology Agency Amendment Act, 2002 (SITA Act)	Section 7(3)







Financial Statement for the year ended 31 March 2023

### Statement of Financial Position

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	2 688 265	2 506 908
Receivables from exchange transactions	4	1 347 903	1 306 188
Prepayments	5	2 961 223	3 400 009
Cash and cash equivalents	6	140 691 830	141 585 473
		<b>147 689 221</b>	<b>148 798 578</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	29 485 970	34 662 742
Intangible assets	8	16 529 397	15 198 937
		<b>46 015 367</b>	<b>49 861 679</b>
<b>Total Assets</b>		<b>193 704 588</b>	<b>198 660 257</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	9	393 761	754 279
Operating lease liability	10	3 557 117	3 004 062
Payables from exchange transactions	11	50 293 101	56 739 566
Provisions	12	51 734 241	52 657 759
		<b>105 978 220</b>	<b>113 155 666</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	9	27 006	382 298
Operating lease liability	10	7 906 968	11 814 020
		<b>7 933 974</b>	<b>12 196 318</b>
<b>Total Liabilities</b>		<b>113 912 194</b>	<b>125 351 984</b>
<b>Net Assets</b>		<b>79 792 394</b>	<b>73 308 273</b>
Accumulated surplus		<b>79 792 394</b>	<b>73 308 273</b>
<b>Total Net Assets</b>		<b>79 792 394</b>	<b>73 308 273</b>

\* See Note 35



Financial Statement for the year ended 31 March 2023

## Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Services rendered		5 784 656	6 357 744
Other income	14	592 827	1 890 350
Interest received on investments	15	13 206 252	6 085 881
Gain on foreign exchange		-	581 476
<b>Total revenue from exchange transactions</b>		<b>19 583 735</b>	<b>14 915 451</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	16	1 046 293 000	994 984 000
Conscientious objector (sheriff costs)	18	1 289 877	1 438 192
Donations received	19	328 250	39 393
Other transfer revenue	17	12 000 000	8 000 000
<b>Total revenue from non-exchange transactions</b>		<b>1 059 911 127</b>	<b>1 004 461 585</b>
<b>Total revenue</b>	13	<b>1 079 494 862</b>	<b>1 019 377 036</b>
<b>Expenditure</b>			
Employee related costs	20	(617 656 501)	(592 578 874)
Administration expenses	21	(170 519 850)	(160 217 273)
Depreciation and amortisation	22	(28 740 255)	(27 103 263)
Finance costs	23	(69 494)	(130 860)
Bargaining councils subsidies	24	(5 008 427)	(4 084 137)
Loss on foreign exchange		(823 968)	-
Loss on disposal of assets		(296 711)	(1 136 211)
Operating expenses	25	(19 173 071)	(12 575 962)
Case disbursement expenses	26	(230 722 463)	(181 284 405)
<b>Total expenditure</b>		<b>(1 073 010 740)</b>	<b>(979 110 985)</b>
<b>Surplus for the year</b>		<b>6 484 122</b>	<b>40 266 051</b>

\* See Note 35





Financial Statement for the year ended 31 March 2023

**Statement of Changes in Net Assets**

<b>Figures in Rand</b>	<b>Accumulated surplus / deficit</b>	<b>Total net assets</b>
Opening balance as previously reported	36 337 533	36 337 533
Prior year adjustments - Note 35	3 295 311	3 295 311
<b>Balance at 01 April 2021, as restated</b>	<b>33 042 222</b>	<b>33 042 222</b>
Surplus for the year	40 266 051	40 266 051
Total changes	40 266 051	40 266 051
<b>Balance at 01 April 2022, as restated</b>	<b>73 308 272</b>	<b>73 308 272</b>
Surplus for the year	6 484 122	6 484 122
Total changes	6 484 122	6 484 122
<b>Balance at 31 March 2023</b>	<b>79 792 394</b>	<b>79 792 394</b>

\* See Note 35



Financial Statement for the year ended 31 March 2023

## Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		5 803 299	6 470 688
Grants		1 046 293 000	994 984 000
Interest income		13 206 252	6 085 881
Other transfer revenue		12 000 000	8 000 000
Conscientious objector funding		1 289 877	1 438 192
Other income		116 083	1 110 225
Proceeds from insurance		464 044	780 125
		<b>1 079 172 555</b>	<b>1 018 869 111</b>
<b>Payments</b>			
Employee costs		(619 427 658)	(577 069 982)
Suppliers		(431 308 585)	(339 012 351)
Finance costs		(69 494)	(130 860)
		<b>(1 050 805 737)</b>	<b>(916 213 193)</b>
<b>Net cash flows from operating activities</b>	27	<b>28 366 818</b>	<b>102 655 918</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(3 019 928)	(7 355 805)
Purchase of other intangible assets	8	(22 170 726)	(18 524 973)
<b>Net cash flows from investing activities</b>		<b>(25 190 654)</b>	<b>(25 880 778)</b>
<b>Cash flows from financing activities</b>			
Finance lease		(715 810)	(745 089)
Operating lease		(3 353 997)	(3 812 030)
<b>Net cash flows from financing activities</b>		<b>(4 069 807)</b>	<b>(4 557 119)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(893 643)</b>	<b>72 218 021</b>
Cash and cash equivalents at the beginning of the year		141 585 473	69 367 452
<b>Cash and cash equivalents at the end of the year</b>	6	<b>140 691 830</b>	<b>141 585 473</b>

\* See Note 35





## Financial Statement for the year ended 31 March 2023

**Statement of Comparison of Budget and Actual Amounts**
**Budget on Accrual Basis**

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Statement of financial performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Services rendered	4 812 000	-	4 812 000	5 784 656	972 656	34
Other income	-	-	-	592 827	592 827	34
Interest received on investments	5 036 000	-	5 036 000	13 206 252	8 170 252	34
<b>Total revenue from exchange transactions</b>	<b>9 848 000</b>	<b>-</b>	<b>9 848 000</b>	<b>19 583 735</b>	<b>9 735 735</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grant and subsidies	1 046 293 000	-	1 046 293 000	1 046 293 000	-	34
Conscientious objector funding (sheriff costs)	1 500 000	-	1 500 000	1 289 877	(210 123)	34
Donations received	-	-	-	328 250	328 250	34
Other transfer revenue	5 000 000	7 000 000	12 000 000	12 000 000	-	34
Retention of Roll Over Surplus	-	30 519 622	30 519 622	-	(30 519 622)	34
<b>Total revenue from non-exchange transactions</b>	<b>1 052 793 000</b>	<b>37 519 622</b>	<b>1 090 312</b>	<b>1 059 911 127</b>	<b>(30 401 495)</b>	
<b>Expenditure</b>						
Employee related costs	(608 927 388)	(8 693 170)	(617 620 558)	(617 656 501)	(35 943)	34
Administration expenses	(183 261 905)	(2 076 165)	(185 338 070)	(170 519 850)	14 818 220	34
Depreciation and amortisation	(33 787 710)	(1 261 586)	(35 049 296)	(28 740 255)	6 309 041	34
Finance costs	(2 307 492)	(105 662)	(2 413 154)	(69 494)	2 343 660	34
Bargaining councils subsidies	(6 646 598)	3 222	(6 643 376)	(5 008 427)	1 634 949	34
Operating expenses	(28 859 588)	3 010 778	(25 848 810)	(19 173 071)	6 675 739	34
Case disbursement expenses	(198 710 319)	(28 404 162)	(227 114 481)	(230 722 463)	(3 607 982)	34
<b>Total expenditure</b>	<b>(1 062 501 000)</b>	<b>(37 526 745)</b>	<b>(1 100 027 745)</b>	<b>(1 071 890 061)</b>	<b>28 137 684</b>	
<b>Surplus rolled over</b>	<b>140 000</b>	<b>(7 123)</b>	<b>132 877</b>	<b>7 604 801</b>	<b>7 471 924</b>	
Loss on foreign exchange	(100 000)	-	(100 000)	(823 968)	(723 968)	34
Loss on disposal of assets	(40 000)	7 123	(32 877)	(296 711)	(263 834)	34
	<b>(140 000)</b>	<b>7123</b>	<b>(132 877)</b>	<b>(1 120 679)</b>	<b>(987 802)</b>	
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 484 122</b>	<b>6 484 122</b>	



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

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

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

#### 1.1 Presentation currency

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

#### 1.2 Going concern assumption

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

#### 1.3 Materiality

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

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

#### 1.4 Significant judgements and sources of estimation uncertainty

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





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.4 Significant judgements and sources of estimation uncertainty *(continued)*

#### Receivables from exchange transactions

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Allowance for slow moving, damaged and obsolete inventory

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

The write down is included in surplus or deficit.

#### Impairment testing

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

#### Provisions

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

#### Useful lives of property, plant and equipment and intangible assets

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

#### Provision for impairment

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the nominal interest rate method for statutory receivables, applied at initial recognition of the debt.



Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.4 Significant judgements and sources of estimation uncertainty (*continued*)

#### Litigation costs

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

#### Leave provision

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

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

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

### 1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the CCMA; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.5 Property, plant and equipment (*continued*)

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

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

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

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

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

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

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

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

Leasehold improvements are depreciated over the shorter of the asset's useful lives or the lease term. The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The residual value, the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.5 Property, plant and equipment (*continued*)

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

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

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

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

### 1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.





Financial Statement for the year ended 31 March 2023

## Accounting Policies

- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

The amortisation period, residual value and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

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

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

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

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

Intangible assets are derecognised:

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

## 1.7 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.7 Inventories (*continued*)

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

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

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

### 1.8 Prepayments

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

### 1.9 Financial instruments

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

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

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

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

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.9 Financial instruments (*continued*)

However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument, the CCMA shall use the contractual cash flows over the full contractual term of the financial instrument.

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

A financial asset is:

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another CCMA branch; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the CCMA.

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

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

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

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.9 Financial instruments (*continued*)

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

- the CCMA designates at fair value at initial recognition; or
- are held for trading.

#### Classification

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

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

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

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

#### Initial recognition

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

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

#### Initial measurement of financial assets and financial liabilities

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

#### Subsequent measurement of financial assets and financial liabilities

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

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

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





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.9 Financial instruments (*continued*)

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

#### Reclassification

The CCMA does not reclassify a financial asset while it is held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

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

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

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

#### Derecognition

##### *Financial assets*

The CCMA derecognises financial assets using trade date accounting.

The CCMA derecognises a financial asset only when:

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

##### *Financial liabilities*

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

##### *Presentation*

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.9 Financial instruments (*continued*)

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

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

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

### 1.10 Statutory receivables

#### Identification

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

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

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

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

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

#### Recognition

The CCMA recognises statutory receivables as follows:

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

#### Initial measurement

The CCMA initially measures statutory receivables at their transaction amount.







Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.10 Statutory receivables (*continued*)

#### Subsequent measurement

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

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

#### Derecognition

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

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

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

### 1.11 Leases

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

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

#### Finance leases - lessee

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

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

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

#### Operating leases - lessee

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.12 Impairment of cash-generating assets

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

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

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

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

#### Designation

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

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

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

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

#### Identification

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

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

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

#### Value in use

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





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.12 Impairment of cash-generating assets (*continued*)

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

#### Basis for estimates of future cash flows

In measuring value in use, the CCMA:

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

#### Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

#### Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.12 Impairment of cash-generating assets (*continued*)

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

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

#### Cash-generating units

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

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

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

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

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

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

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

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

#### Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.12 Impairment of cash-generating assets (*continued*)

The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

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

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

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

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

#### Redesignation

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

### 1.13 Impairment of non-cash-generating assets

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

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

#### Designation

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

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.13 Impairment of non-cash-generating assets (*continued*)

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

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

#### Identification

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

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

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

#### Value in use

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

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

#### Depreciated replacement cost approach

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

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





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.13 Impairment of non-cash-generating assets (*continued*)

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

#### Reversal of an impairment loss

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

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

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

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

#### Redesignation

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

### 1.14 Provisions and contingencies

Provisions are recognised when:

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.14 Provisions and contingencies (*continued*)

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

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

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

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

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

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

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

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

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

### 1.15 Accumulated surplus/deficit

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

### 1.16 Employee benefits

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

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an CCMA's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

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







Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.16 Employee benefits (continued)

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

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

#### Short-term employee benefits

Short-term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services:

- wages, salaries and social security contributions;
- paid annual leave, paid sick leave, paid study leave, etc.;
- bonus, incentive and performance related payments; and
- non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees.

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

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

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

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

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

#### Post-employment benefits: Defined contribution plans

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.16 Employee benefits (*continued*)

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

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

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

### 1.17 Commitments

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

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

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

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

### 1.18 Revenue from exchange transactions

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

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

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

#### Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised.





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.18 Revenue from exchange transactions (*continued*)

This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non contractual) arrangement (see the accounting policy on Statutory Receivables).

#### Services rendered

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

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

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

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

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

#### Interest

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

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

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

### 1.19 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (*continued*)

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

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

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

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

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

#### Recognition

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

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

#### Measurement

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

When, as a result of a non-exchange transaction, the CCMA recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.





Financial Statement for the year ended 31 March 2023

## Accounting Policies

### 1.19 Revenue from non-exchange transactions *(continued)*

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

#### Gifts and donations, including goods in-kind

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

#### Services in-kind

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

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

### 1.20 Finance costs

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

### 1.21 Tax

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

### 1.22 Translation of foreign currencies Foreign currency transactions

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

At each reporting date:

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.22 Translation of foreign currencies Foreign currency transactions (*continued*)

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

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

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

### 1.23 Comparative figures

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

### 1.24 Fruitless and wasteful expenditure

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

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

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

The disclosure is as per the requirements of National Treasury Instruction no. 4 of 2022/2023, which came into effect from 03 January 2023.

For details of fruitless and wasteful expenditure, refer to note 33.

### 1.25 Irregular expenditure

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

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

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

The disclosure is as per the requirements of National Treasury Instruction no. 4 of 2022/2023, which came into effect from 03 January 2023.

For details on irregular expenditure, refer to note 33.





Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.26 Budget information

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

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

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

The approved budget covers the fiscal period from 01/04/2022 to 31/03/2023.

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

### 1.27 Related parties

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

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

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

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

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

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

### 1.28 Events after reporting date

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

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



Financial Statement for the year ended 31 March 2023

## Accounting Policies

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### 1.28 Events after reporting date (*continued*)

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

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

### 1.29 Bargaining councils subsidies

The CCMA provides subsidies to the bargaining councils which are accredited in terms of the LRA.

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







Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The CCMA has not applied the following standards and interpretations, which have been published and are mandatory for the CCMA's accounting periods beginning on or after 01 April 2023 or later periods:

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



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 3. Inventories

Consumables		2 548 419	2 173 386
Spare parts		139 846	333 522
		<b>2 688 265</b>	<b>2 506 908</b>

Consumables consists of items such as toners, process manuals, COVID-19 related personal protective equipment and cleaning materials.

During the financial year, inventory of R21 984 (2022: R712 676) was written off as obsolete or price write down. No inventory has been pledged as security.

### 4. Receivables from exchange transactions

Trade debtors		496 624	240 711
Other receivables		1 348 787	1 753 211
Provision for impairment		(497 508)	(687 734)
		<b>1 347 903</b>	<b>1 306 188</b>
<b>Trade and other receivables not past due</b>			
Trade and other receivables		610 931	331 633

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 month past due are not considered to be impaired. At 31 March 2023, R731 640 (31 March 2022: R847 011) were past due but not impaired.

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

30 days		31 832	-
90 days		1 899	-
over 120 days		697 909	847 011
		<b>731 640</b>	<b>847 011</b>





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

Figures in Rand	Note(s)	2023	2022 Restated*
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**4. Receivables from exchange transactions (continued)**
**Trade and other receivables impaired**

As of 31 March 2023, trade and other receivables of R502 840 (31 March 2022: R815 278) were impaired and provided for.

The amount of the provision was R497 508 as of 31 March 2023 (31 March 2022: R687 734).

The ageing of these loans is as follows:

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

30 days	15 405	111 863
60 days	1 971	31 442
90 days	998	-
over 120 days	484 466	671 973
	<b>502 840</b>	<b>815 278</b>

Reconciliation of trade and other receivables - 31 March 2023	Trade receivables	Other receivables	Total
Trade and other receivables not past due	383 700	227 231	610 931
Trade and other receivables past due but not impaired	-	731 640	731 640
Trade and other receivables assessed for impairment	112 923	389 917	502 840
Provision for impairment	(107 590)	(389 918)	(497 508)
	<b>389 033</b>	<b>958 870</b>	<b>1 347 903</b>

Reconciliation of trade and other receivables - 31 March 2022	Trade receivables	Other receivables	Total
Trade and other receivables not past due	32 612	299 021	331 633
Trade and other receivables past due but not impaired	-	847 011	847 011
Trade and other receivables assessed for impairment	208 099	607 179	815 278
Provision for impairment	(80 555)	(607 179)	(687 734)
	<b>160 156</b>	<b>1 146 032</b>	<b>1 306 188</b>

**Reconciliation of provision for impairment of trade and other receivables**

Opening balance	(687 734)	(1 123 060)
Reversal of impairment	190 226	435 326
	<b>(497 508)</b>	<b>(687 734)</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 5. Prepayments

Prepayments		2 961 223	3 400 009
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Prepayments consists of membership subscriptions, maintenance and support on computer softwares and other advance payments.

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:			
Petty cash		32 176	53 278
Bank balances (First National Bank accounts)		36 357 839	52 969 329
Short-term deposits (Corporation for Public Deposits and Pledge account)		104 301 815	88 562 866
		<b>140 691 830</b>	<b>141 585 473</b>
Pledge account		1 104 880	1 044 436

The short-term deposits include a pledge account held by the CCMA through Standard bank for rental deposit paid at inception of the lease which is not available for use.

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The First National Bank current accounts are held in line with National Treasury Regulation 31.2. The CCMA invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits.





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**
**7. Property, plant and equipment**

	31 March 2023			31 March 2022		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	30 476 166	(25 275 204)	5 200 962	30 948 527	(24 969 713)	5 978 814
Motor vehicles	446 629	(410 053)	36 576	658 297	(587 671)	70 626
Office equipment	11 820 335	(7 197 432)	4 622 903	11 708 491	(6 789 925)	4 918 566
IT equipment	72 551 082	(53 539 690)	19 011 392	72 770 272	(50 617 840)	22 152 432
Leasehold improvements	2 630 119	(2 375 439)	254 680	3 261 419	(2 781 153)	480 266
Leased motor vehicles	2 105 884	(1 803 305)	302 579	2 105 884	(1 077 142)	1 028 742
Leased office equipment	95 262	(38 384)	56 878	38 749	(5 453)	33 296
<b>Total</b>	<b>120 125 477</b>	<b>(90 639 507)</b>	<b>29 485 970</b>	<b>121 491 639</b>	<b>(86 828 897)</b>	<b>34 662 742</b>



Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

**7. Property, plant and equipment (continued)**

Reconciliation of property, plant and equipment as at 31 March 2023	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	5 978 814	395 122	(42 549)	(1 130 425)	5 200 962
Motor vehicles	70 626	-	(21 794)	(12 256)	36 576
Office equipment	4 918 566	434 476	(12 812)	(717 327)	4 622 903
IT equipment	22 152 432	2 115 398	(116 993)	(5 139 445)	19 011 392
Leasehold improvements	480 266	-	(18)	(225 568)	254 680
Leased motor vehicles	1 028 742	-	-	(726 163)	302 579
Leased office equipment	33 296	74 932	(19)	(51 331)	56 878
	<b>34 662 742</b>	<b>3 019 928</b>	<b>(194 185)</b>	<b>(8 002 515)</b>	<b>29 485 970</b>

Reconciliation of property, plant and equipment as at 31 March 2022	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	7 733 606	-	(21 378)	-	(1 733 414)	5 978 814
Motor vehicles	85 843	-	(66)	-	(15 151)	70 626
Office equipment	5 673 519	96 810	(10 290)	36 862	(878 335)	4 918 566
IT equipment	20 912 063	7 141 331	(768 007)	-	(5 132 955)	22 152 432
Leasehold improvements	661 304	105 928	-	(36 862)	(250 104)	480 266
Leased motor vehicles	1 754 905	-	-	-	(726 163)	1 028 742
Leased office equipment	70 560	11 736	(33)	-	(48 967)	33 296
	<b>36 891 800</b>	<b>7 355 805</b>	<b>(799 774)</b>	<b>-</b>	<b>(8 785 089)</b>	<b>34 662 742</b>



Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

Figures in Rand	Note(s)	2023	2022 Restated*
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**7. Property, plant and equipment (*continued*)**

**Assets subject to finance lease (Net carrying amount)**

Leased Motor Vehicles		302 579	1 028 742
Leased Office Equipment		56 878	33 296
		<b>359 457</b>	<b>1 062 038</b>
Repairs and maintenance			
<b>Repairs and maintenance</b>		<b>2 671 581</b>	<b>2 831 593</b>

No item of property, plant and equipment has been pledged as security



Financial Statement for the year ended 31 March 2023

Notes to the Financial Statements

8. Intangible assets

	31 March 2023			31 March 2022		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software and licences	38 225 673	(21 696 276)	16 529 397	34 185 713	(18 986 776)	15 198 937

Reconciliation of intangible assets - 31 March 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software and licences	15 198 937	22 170 726	(102 526)	(20 737 740)	16 529 397

Reconciliation of intangible assets - 31 March 2022

	Opening balance	Intangible assets under development	Additions	Disposals	Amortisation	Total
Computer software and licences	15 328 574	18 335 223	189 750	(336 436)	(18 318 174)	15 198 937

No item of intangible assets has been pledged as security.

Intangible assets in the process of being constructed or developed

Intangible assets under development

	-
	189 750





Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>9. Finance lease obligation</b>			
<b>Minimum lease payments due</b>			
- within one year		427 112	815 384
- in second to fifth year inclusive		59 750	390 142
		<b>486 862</b>	<b>1 205 526</b>
less: future finance charges		(66 095)	(68 949)
<b>Present value of minimum lease payments</b>		<b>420 767</b>	<b>1 136 577</b>
<b>Present value of minimum lease payments due</b>			
- within one year		393 761	754 279
- in second to fifth year inclusive		27 006	382 298
		<b>420 767</b>	<b>1 136 577</b>
Non-current liabilities		27 006	382 298
Current liabilities		393 761	754 279
		<b>420 767</b>	<b>1 136 577</b>

It is the CCMA's policy to lease certain motor vehicles and office equipment under finance leases.

The average lease term is 2-3 years and the average effective borrowing rate was 9% (31 March 2022: 9%).

The CCMA's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 7 and 29.

## 10. Operating lease liability

Current liabilities	3 557 117	3 004 062
Non-current liabilities	7 906 968	11 814 020
	<b>11 464 085</b>	<b>14 818 082</b>

Refer to Note 29 for additional information.

## 11. Payables from exchange transactions

Trade payables	49 100 984	50 380 625
Payroll creditors	1 192 117	6 358 941
	<b>50 293 101</b>	<b>56 739 566</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

### 12. Provisions

Reconciliation of provisions - 31 March 2023	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for workmen's compensation	1 490 622	2 977 630	(1 260 544)	(1 435 747)	1 771 961
Provision for leave	22 651 262	46 685 254	(45 818 729)	-	23 517 787
Provision for audit fees	2 347 883	3 691 939	(3 236 165)	391 864	3 195 521
Provision for once-off salary payment	24 367 992	23 248 972	(19 450 057)	(4 917 935)	23 248 972
Provision for performance incentives	1 800 000	-	(1 800 000)	-	-
	<b>52 657 759</b>	<b>76 603 795</b>	<b>(71 565 495)</b>	<b>(5 961 818)</b>	<b>51 734 241</b>

Reconciliation of provisions - 31 March 2022	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for workmen's compensation	1 748 974	2 516 203	(1 577 018)	(1 197 537)	1 490 622
Provision for leave	34 402 221	-	(2 243 308)	(9 507 651)	22 651 262
Provision for audit fees	2 344 759	3 251 510	(3 248 386)	-	2 347 883
Provision for once-off salary payment	-	24 367 992	-	-	24 367 992
Provision for performance incentives	-	1 800 000	-	-	1 800 000
	<b>38 495 954</b>	<b>31 935 705</b>	<b>(7 068 712)</b>	<b>(10 705 188)</b>	<b>52 657 759</b>

The provision for audit fees is based on the assumption that CCMA will incur future audit costs according to the audit engagements with external auditors.

The provision for leave is based on the total annual leave due to the employees. The CCMA forfeits excess leave carried over to the next leave cycle.

The provision for workmen's compensation is as a result of estimation of the amount that is payable to the Compensation Fund, for occupational injuries and diseases.

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

A provision was made for once-off salary payment to compensate staff for the organisation's inability to afford inflation linked salary adjustments, based on the assumption of the mandate received from the remuneration committee.





Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 13. Total revenue

Services rendered		5 784 656	6 357 744
Other income		592 827	1 890 350
Interest received on investments		13 206 252	6 085 881
Government grants & subsidies		1 046 293 000	994 984 000
Conscientious objector (sheriff costs)		1 289 877	1 438 192
Donations received		328 250	39 393
Other transfer revenue		12 000 000	8 000 000
Gain on foreign exchange		-	581 476
		<b>1 079 494 862</b>	<b>1 019 377 036</b>

The amounts included in revenue arising from exchange of goods and services are as follows:

Services rendered		5 784 656	6 357 744
Other income		592 827	1 890 350
Interest received on investments		13 206 252	6 085 881
Gain on foreign exchange		-	581 476
		<b>19 583 735</b>	<b>14 915 451</b>

The amounts included in revenue arising from non-exchange transactions are as follows

Conscientious objector (sheriff costs)		1 289 877	1 438 192
Government grants and subsidies		1 046 293 000	994 984 000
Other transfer revenue		12 000 000	8 000 000
Donations received		328 250	39 393
		<b>1 059 911 127</b>	<b>1 004 461 585</b>

### 14. Other income

Proceeds from insurance		116 083	780 125
Other income		476 744	1 110 225
		<b>592 827</b>	<b>1 890 350</b>

### 15. Interest received on Investments

Interest revenue			
Income received on short term deposits		13 206 252	6 085 881



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>16. Government grants &amp; subsidies</b>			
Department of Employment and Labour		1 046 293 000	994 984 000
<b>17. Other transfer revenue</b>			
Condition met - transferred to revenue		12 000 000	8 000 000
<p>In terms of Section 53(3) of the PFMA, A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained. The National Treasury approved R12.0 million in surplus funds from the NEDLAC to be transferred to the CCMA during the 2022/23 financial year in accordance with section 53(3) of the PFMA. The condition of approval was as follows:</p> <p>R12.0 million for collaboration with the CCMA on projects to:</p> <ul style="list-style-type: none"> <li>Proactively address individual and collective disputes that arose in the workplace because of the COVID-19 pandemic including in respect of unfair dismissals, mandatory vaccinations as well as retrenchments arising out of the subsequent economic downturn.</li> <li>Enforce awards arising out of the implementation of the National Minimum Wage which have been delayed because of the COVID-19 pandemic and lockdown.</li> </ul>			
<b>18. Conscientious objector (sheriff costs)</b>			
Sheriff costs		1 289 877	1 438 192
<b>19. Donations received</b>			
Donations received		328 250	39 393
<b>20. Employee related costs</b>			
Basic		442 492 714	468 806 425
Performance incentives		39 655 431	1 800 000
Medical aid - company contributions		53 761 488	52 666 358
UIF		1 945 649	1 989 768
Leave pay provision charge		3 487 812	(9 507 251)
WCA		721 921	764 079
Provident fund		71 276 134	71 722 524
13th cheque		3 945 962	4 102 803
Other staff costs		369 390	234 168
		<b>617 656 501</b>	<b>592 578 874</b>





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**
**20. Employee related costs (continued)**
**Key Management Remuneration**

	Emoluments	Performance Bonus	Cellphone Allowance	Provident Fund, UIF, Vitality	Reimbursable allowances	Total
<b>31 March 2023</b>						
CCMA Director: C Morajane	3 761 717	1 800 000	-	591 457	10 001	6 163 175
Executive Governance and Strategy : A Mokgadiyane	2 307 420	885 299	14 400	454 026	8 325	3 669 470
Acting Executive Governance and strategy: N Nyamezele	38 232	-	977	-	-	39 209
Acting Executive Governance and strategy: B Rakau	10 791	-	83	-	-	10 874
Chief Financial Officer : KS Mashaakgomo	1 294 215	-	6 665	222 878	-	1 523 758
Chief Financial Officer : N Mqoqi	277 753	-	1 440	35 297	-	314 490
Acting Chief Financial Officer: M Mabaso	126 920	-	1 166	-	-	128 086
Chief Audit Executive: ZP Hlophe	2 417 833	925 620	14 400	468 138	-	3 825 991
National Senior Commissioner: M Seltago	947 890	-	6 498	204 175	7 364	1 165 927
Acting National Senior Commissioner : M Seltago	151 918	-	1 000	-	-	152 918
Acting National Senior Commissioner : TB Mokoena	21 058	-	200	-	-	21 258
Chief Information Officer: N Nkosi	2 343 684	885 299	14 400	418 096	11 365	3 672 844
	<b>13 699 431</b>	<b>4 496 218</b>	<b>61 229</b>	<b>2 394 067</b>	<b>37 055</b>	<b>20 688 000</b>
	Emoluments	Performance Bonus	Cellphone Allowance	Provident Fund, UIF, Vitality	Reimbursable allowances	Total
<b>31 March 2022</b>						
Director: C Morajane	3 653 645	-	-	569 022	-	4 222 667
Chief Audit Executive: Z Hlophe	2 436 070	-	14 400	377 517	-	2 827 987
Executive Governance and Strategy: A Mokgadiyane	2 330 873	-	14 400	361 301	-	2 706 574
Chief Financial Officer: K Mashaakgomo	2 330 873	-	14 400	361 434	-	2 706 707
National Senior Commissioner: Marius Kotze	2 330 873	-	14 400	361 597	189 681	2 896 551
Acting Director: X Nduna	45 160	-	-	-	-	45 160
Acting National Senior Commissioner: E Hlongwane	66 050	-	-	-	-	66 050
	<b>13 193 544</b>	<b>-</b>	<b>57 600</b>	<b>2 030 871</b>	<b>189 681</b>	<b>15 471 696</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

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### **20. Employee related costs (continued)**

Mr MB Ncanana acted as an Executive: Corporate Services from 01 April 2022 to date. The position for Executive: Corporate Services was vacant for the financial year. No remuneration was paid for this acting role in line with the Human Resource Employee Manual.

Ms. N Nyamezele acted as Executive Governance and Strategy from January 2023 to March 2023, while Ms. B Rakau acted as Executive Governance and Strategy from 20 March 2023 to date.

Ms M. Mabaso acted in the position of Chief Financial Officer from September 2022 until January 2023. Ms Mabaso was reappointed as an Acting Chief Financial Officer from February 2023 to date. Mr. N. Mqoqi was appointed Chief Financial Officer from 05 January 2023, until 10 February 2023.

Mr M. Setlago acted as National Senior Commissioner from 01 April 2022 to 31 August 2022. He was subsequently appointed as a National Senior Commissioner effective 1 September 2022 until February 2023. Ms B Mokoena acted as a National Senior Commissioner effective 1 March 2023.





Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>21. Administration expenses</b>			
Audit and Risk committee		179 019	217 810
Auditor's remuneration		3 605 157	3 257 239
Provision for impairment		(190 226)	(435 326)
Debt written off		129 867	61 840
Communication costs		31 940 260	27 063 301
Essential Services Committee		3 962 690	4 087 818
Governing Body		809 866	828 344
Procurement committee		44 719	24 312
External Archives Services		1 379 561	1 883 576
Insurance		2 475 210	1 680 721
COVID-19 related costs		212 225	474 725
Property rental		77 049 263	77 512 312
Water & electricity, rates & taxes, cleaning and security services		39 141 082	31 754 077
General administration		9 781 157	11 806 524
		<b>170 519 850</b>	<b>160 217 273</b>
<b>22. Depreciation and amortisation</b>			
Property, plant and equipment		8 002 515	8 785 089
Intangible assets		20 737 740	18 318 174
		<b>28 740 255</b>	<b>27 103 263</b>
<b>23. Finance costs</b>			
Finance leases		69 494	130 860
<b>24. Bargaining councils subsidies</b>			
Bargaining councils subsidies		5 008 427	4 084 137



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>25. Operating expenses</b>			
Advertising		161 923	167 358
Inventory write off		21 984	712 676
Repairs and maintenance		2 994 810	3 345 907
Legal fees		2 354 309	901 613
Other operating expenses		7 408 864	5 148 380
Pot plants		42 264	72 682
Travel and Accommodation Expenses - Local		5 757 212	2 227 346
Travel and Accommodation Expenses - International		431 705	-
		<b>19 173 071</b>	<b>12 575 962</b>
<b>26. Case disbursement expenses</b>			
Part time commissioner		209 041 754	162 656 886
Travel and accommodation		13 771 858	11 041 641
Venue hire		3 614 902	2 600 827
Sherrif fees		4 104 723	4 622 028
Other related costs		189 226	363 023
		<b>230 722 463</b>	<b>181 284 405</b>
<b>27. Cash generated from operations</b>			
Surplus		6 484 122	40 266 051
<b>Adjustments for:</b>			
Depreciation and amortisation		28 740 255	27 103 263
Loss on disposal of assets		296 711	1 136 211
Loss (gain) on foreign exchange		823 968	(581 476)
Inventory write off		21 984	712 676
Debt write off		129 867	61 840
Donations		(328 250)	(39 393)
Movement in provisions (Relating to employees)		(1 771 156)	15 508 892
Movement in provisions (Relating to suppliers)		847 638	3 124
Reversal of impairment		(190 226)	(435 326)
<b>Changes in working capital:</b>			
Inventories		(203 341)	(578 403)
Receivables from exchange transactions		18 643	112 944
Prepayments		438 786	(1 402 081)
Payables from exchange transactions		(6 942 183)	20 787 596
		<b>28 366 818</b>	<b>102 655 918</b>







Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 28. Financial instruments disclosure

#### Categories of financial instruments

31 March 2023

#### Financial assets

	At amortised	
	Cost	Total
Receivables from exchange transactions	1 347 903	1 347 903
Cash and cash equivalents	140 691 830	140 691 830
	<b>142 039 733</b>	<b>142 039 733</b>

#### Financial liabilities

	At amortised	
	Cost	Total
Finance lease obligation	420 767	420 767
Payables from exchange transactions	50 293 101	50 293 101
	<b>50 713 868</b>	<b>50 713 868</b>

31 March 2022

#### Financial assets

	At amortised	
	Cost	Total
Receivables from exchange transactions	1 306 188	1 306 188
Cash and cash equivalents	141 585 473	141 585 473
	<b>142 891 661</b>	<b>142 891 661</b>

#### Financial liabilities

	At amortised	
	Cost	Total
Finance lease obligation	1 136 577	1 136 577
Payables from exchange transactions	56 739 566	56 739 566
	<b>57 876 143</b>	<b>57 876 143</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 29. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Tangible assets		741 874	2 316 873
• Intangible assets		16 564 080	25 204 605
		<b>17 305 954</b>	<b>27 521 478</b>

##### Not yet contracted for and authorised

• Tangible assets		1 988 028	-
• Intangible assets		442 969	162 511
		<b>2 430 997</b>	<b>162 511</b>

#### Total capital commitments

Already contracted for but not provided for		17 305 954	27 521 478
Not yet contracted for and authorised by members		2 430 997	162 511
		<b>19 736 951</b>	<b>27 683 989</b>
Total commitments			
Authorised capital expenditure		<b>19 736 951</b>	<b>27 683 989</b>

Capital expenditure is financed by government grant received from National Treasury through the Employment and Labour. The commitments represent approved contracts by 31 March 2023, and will be financed by available cash facilities

Changes to prior year balances have been explained under note 35

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

- within one year		59 737 951	61 017 656
- in second to fifth year inclusive		43 865 328	70 446 735
- later than five years		3 178 364	6 299 178
		<b>106 781 643</b>	<b>137 763 569</b>

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

#### Finance lease liability

##### Minimum lease payments due

- within one year		427 112	815 384
- in second to fifth year inclusive		59 750	390 142
Finance charges		(66 095)	(68 949)
		<b>420 767</b>	<b>1 136 577</b>

Finance lease payments represent leases on motor vehicles and office equipment.



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>30. Contingencies</b>			
<b>Litigations</b>			
Claims of repudiation		16 075 000	16 000 000
Claims of services rendered		305 405	311 458
Labour matter		6 423 185	5 550 000
		<b>22 803 590</b>	<b>21 861 458</b>

Management assessed the possible obligations of the litigations and confirmed that they arose from past events. The resolution of the litigations is not wholly within the control of the CCMA and amounts reflected is the best estimates of the probable costs of settling the matters.

## 31. Related parties

Relationships	Key management - Refer to note 20
Management	Governing Body Essential Services Committee Audit and Risk Committee Procurement Committee
Controlling entity	Department of Employment and Labour
Included in the Governing Body is government representatives	Mr Thembinkosi Mkalipi Ms Conny Mamejja Ms Ntsoaki Mamashela
Entities under common control	National Economic Development and Labour Council (Nedlac) Productivity South Africa (PSA) Compensation Fund (CF) Unemployment Insurance Fund (UIF) Sheltered Employment and Enterprises (SEE)
Bargaining Councils	There are 37 (2022: 36) bargaining councils which have been accredited by the CCMA in accordance with the LRA



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
<b>31. Related parties (continued)</b>			
<b>Related party balances</b>			
<b>Revenue</b>			
Department of Employment and Labour		1 046 293 000	996 422 192
National Economic Development and Labour Council		12 000 000	8 000 000
Unemployment Insurance Fund		564 853	-
		<b>1 058 857 853</b>	<b>1 004 422 192</b>
<b>Purchases from related parties</b>			
Unemployment Insurance Fund		3 891 298	3 974 946
BC for Building Industry South & East Cape		-	712
BC for Building Industry (Cape of Good Hope)		151 771	172 265
NBC for the Road Freight Industry		420 684	346 665
BC for South African Road Passenger		182 714	165 859
Transnet Bargaining Council		83 990	66 913
BC Public Health and Social Development		128 195	130 267
BC for Public Service Coordinating		50 836	78 302
BC for South African Local Government		323 433	198 603
BC for Statutory Council for Printing Newspaper & Packaging Industry		13 998	27 762
BC for Contract Cleaning Industry		61 887	74 743
BC for Furniture Manufacturing Industry of the Western Cape		4 421	9 966
Building Bargaining Council (North and West Boland)		-	1 424
BC for Clothing Industry		50 099	38 439
BC for Meat Trade		59 677	32 745
BC for for Civil Engineering Industry		120 827	112 471
NBC for the Chemical Industry		113 460	30 609
BC for Electrical Industry		33 154	25 626
BC for the Food Retail, Restaurant, Catering & Allied Trades		95 041	86 444
BC for Restaurant, Catering		210 711	186 502
BC for Furniture Bedding & Upholstery Industry		54 520	46 981
BC for the Hairdressing & Cosmetology		33 891	45 558
BC for Laundry Cleaning & Dyeing		-	2 847
NBC of the Leather Industry of SA		7 368	7 830
BC for Metal & Engineering Industry		856 840	647 063
BC for Motor Industry		1 110 282	1 017 932





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

Figures in Rand	Note(s)	2023	2022 Restated*
<b>31. Related parties (continued)</b>			
Education Labour Relations Council		156 191	-
BC Sugar Manufacturing Industry		1 474	-
BC for Safety and Security Sectoral		100 935	-
BC for General Public Service Sectoral		73 675	-
NBC for Private Security Sector		11 788	-
BC for Grain Industry		11 788	-
		<b>8 414 948</b>	<b>7 529 474</b>
<b>Payable by CCMA</b>			
BC for Electrical Industry		4 421	6 407
BC for Civil Engineering Industry		10 315	12 813
BC for Contract Cleaning Industry		8 104	9 254
BC for the Food Retail, Restaurant, Catering & Allied Trades		8 841	7 118
BC for Furniture Bedding & Upholstery Industry		2 947	2 136
BC for the Hairdressing & Cosmetology		2 947	7 830
BC for Meat Trade		2 210	14 949
BC for Restaurant, Catering & Allied Trades		22 839	298 970
BC for Safety and Security Sectoral		21 366	35 592
BC for South African Local Government		30 207	70 472
BC for South African Road Passenger		18 419	18 508
Transnet Bargaining Council		10 315	18 508
NBC for the Leather Industry of SA		2 947	2 847
NBC for the Sugar Manufacturing and Refining Industry		-	712
BC Clothing Industry		13 262	3 559
Education Labour Relations Council		8 104	34 168
BC for Public Health and Social Development		24 313	9 254
BC for Public Service Coordinating		3 684	2 136
BC for Building Industry Cape of Good Hope		21 366	22 779
BC for General Public Service Sectoral		8 841	9 254
BC for Laundry Cleaning & Dyeing		-	712
BC for Metal & Engineering Industry		88 410	64 777
BC for Motor Industry		111 986	102 505
NBC for the Road Freight Industry		44 942	34 168
NBC for the Chemical Industry		8 104	9 254
BC for Printing, Newspaper & Packaging Industry		737	-
NBC for Private Security Sector		4 421	-
Compensation Fund		1 771 961	1 490 622
Unemployment Insurance Fund		-	435 886
		<b>2 256 009</b>	<b>2 725 190</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 31. Related parties (continued)

#### Receivable by CCMA

Unemployment Insurance Fund

	128 967	-
	<b>128 967</b>	<b>-</b>

#### Governing Body members

E Ngutshane: Chairperson

S Lukhele

B Ntshalintshali

N Moloto (terminated 1 April 2022)

IK Moyane

R Ajam

S Leyden

MW Dinwa (appointed 20 April 2022)

	104 765	80 735
	153 847	158 445
	161 647	153 556
	-	121 107
	115 297	128 448
	83 663	103 481
	93 778	82 572
	96 868	-
	<b>809 865</b>	<b>828 344</b>

#### Audit and Risk Committee members

T Cumming

Y Mjiako (appointed 03 August 2022)

V Makaleni (terminated 30 April 2022)

A Latchu (terminated 30 March 2023)

	91 197	92 173
	41 588	-
	9 633	52 296
	36 601	73 341
	<b>179 019</b>	<b>217 810</b>

Mr Linda Nene was appointed as an ARC member on August 2021. Mr Nene is employed by the public entity and was not remunerated as per the National Treasury Regulations during the 2022/23 financial year.

#### Essential Services Committee members

L Bono

MJ Nkopane

NY Memani

A Gildenhuis

CK Marule

M. Ndaba

AZ Ndlala

A Ranchod

K Matebe

Z Tamela

	1 410 014	1 287 287
	847 131	777 133
	295 368	301 234
	15 116	297 418
	-	279 578
	15 116	344 152
	343 588	268 424
	374 727	393 170
	389 843	69 711
	271 787	69 711
	<b>3 962 690</b>	<b>4 087 818</b>





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

Figures in Rand	Note(s)	2023	2022 Restated*
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**31. Related parties (continued)**

A Gildenhys and M Ndaba’s term as Essential Services Committee members ended on 31 December 2021, however in February 2022 they were both appointed on a temporary basis.

The term of the Essential Services Committee member will end in December 2025.

**Procurement Committee member**

NL Siqaza		44 719	44 719
		<b>44 719</b>	<b>44 719</b>

**32. Going concern**

We draw attention to the fact that at 31 March 2023, the CCMA had an accumulated surplus of R79 792 394 and that the CCMA’s total assets exceed its liabilities by R79 792 394.

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

The Governing Body has reviewed the CCMA’s cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the CCMA has access to adequate resources to continue in operational existence for the foreseeable future.

**33. Irregular expenditure and Fruitless and wasteful expenditure**

Irregular expenditure	36 601	73 341
Fruitless and wasteful expenditure	43 916	48 617
Total	<b>80 517</b>	<b>121 958</b>

**Details of current and previous year fruitless and wasteful expenditure recovered**

Fruitless and wasteful expenditure	<b>43 916</b>	<b>48 617</b>
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Eight (08) cases were assessed during the 2022/23 financial year and found to have contravened the applicable laws and regulations. Seven of the cases relate to the fruitless and wasteful expenditure occurred in the 2022/23 financial year, while one case occurred in the 2021/22 financial year. Based on the root causes, the Loss and Control Committee recommended that the expenditure be recovered.

**Details of Irregular expenditure recovered**

Irregular expenditure recovered	<b>36 601</b>	<b>73 341</b>
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One (1) case was assessed during the year 2022/23 and was found to have contravened the applicable laws and regulations. Based on the root cause, a recommendation was made by the Loss and Control Committee (LCC) that the expenditure be recovered.



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 34. Budget differences

#### Revenue from exchange transactions

Services rendered was above the projected income by R973 thousand (20.2%), due to discretionary services offered being more than what was planned for by the CCMA to the users.

Other income collected for R592 thousand (100%) was not budgeted for due to the unpredictability of the nature of the income. The income includes insurance, bursary recoveries, staff debts etc.

Interest received on investment was above the projected income by R8.2 million (162.2%) due to higher than projected interest rate received from Corporation for Public

#### Revenue from non exchange transactions

Government grant and subsidies, were received in line with the signed drawdown agreement with the Department of Employment and Labour for the 2022/23 financial year.

Conscientious Objector Funding was below the projected budget by R210 thousand (14.0%), due to transfers from the Department of Labour and Employment not received as planned.

National Treasury granted approval to CCMA in terms of Section 53(3) of the PFMA and paragraph 8.1 of National Treasury Instruction 12 of 2020/21 to retain the cash surplus of R30.5 million at the end of the 2021/22 financial year.

Donations received of R328 thousand (100%) results from the service in kind received from the stakeholders for activities such as venues, which was not budgeted for during the financial year.

National Treasury approved R12.0 million in surplus funds from the NEDLAC to be transferred to the CCMA during the 2022/23 financial year in accordance with section 53(3) of the PFMA.

The funds were received as per the approval.

#### Expenditure

The overall expenditure for the period ending 31 March 2023 was R1 073 billion (97.5%) of the annual approved budget.

Employee related costs were above the projected budget by R36 thousand (0.0%). The slight variance results from once off salary incentives for staff during the financial year.

Administration expenditure was below the budgeted amount by R14.8 million (8.0%). The saving results from projects such as JAVS maintenance, BUSA web tool, Helpdesk solution, CMS enhancements and Compliance Management Tool Software which were budgeted for but not utilised as anticipated, as these projects were not awarded. Further, the employee wellness programme and employee relation activities as well as admin variable expenditure also contributed to the saving as the service are consumed as and when required.

Depreciation and amortisation expenses was below the projected budget by R6.3 million (18.0%). The variance results from assets which were budgeted for but not procured as anticipated.

Finance cost was below the budgeted amount by R2.3 million (97.1%). The variance results from of non-responsive bids on procurement of laptops through the lease option.

Bargaining Councils subsidies were below the budgeted amount by R1.6 million (24.6%). The variance results from fewer claims received from the Councils on the awards made.







Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 34. Budget differences (*continued*)

Operating expenditure was below the projected budget by R6.7 million (25.8%). The variance results from capitalisation of software licenses related to Faxination, End-point protection, Electronic Boardpack solution and Adobe licenses as well as amortisation of HPE maintenance and VMware software license. The other contributing factor is licenses such as Qualitative Data Analysis Software, Social Media Management Tool, and Data Analytic Tool which were not procured as anticipated. In addition, travel, recruitment services and training intervention costs also contributed to the saving, as expenditure was not incurred as anticipated.

Case disbursement expenditure was above the budgeted amount by R3.6 million (1.6%). The variance results from an increase in utilisation of part-time Commissioners and Interpreters in response to the caseload. Furthermore, the increase is also seen on sheriff costs.

Loss on disposal of assets was above the budgeted amount by R264 thousand (802.5%). The variance results from the assets disposed during the financial year, as they no longer yield economic benefit to the organisation.

Loss on foreign exchange was above the budgeted amount by R724 thousand (724.0%). The variance results from the US dollar translation for the payment of Microsoft which was higher than anticipated.

### 35. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

31 March 2022

	Note	As previously reported	Correction of error	Restated
Receivable from exchange transactions		2 711 034	(1 404 846)	1 306 188
Prepayments		3 469 401	(69 392)	3 400 009
Property, plant and equipment		34 493 159	169 583	34 662 742
Intangible assets		15 278 105	(79 168)	15 198 937
Payables from exchange transactions		(57 360 785)	621 219	(56 739 566)
Accumulated surplus		(74 070 877)	762 604	(73 308 273)
		<b>(75 479 963)</b>	<b>-</b>	<b>(75 479 963)</b>



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 35. Prior-year adjustments (*continued*)

#### Statement of financial performance

31 March 2022

	Note	As previously reported	Correction of error	Restated
Services rendered		(5 028 648)	(1 329 096)	(6 357 744)
Other income		(1 893 454)	3 104	(1 890 350)
Gain on foreign exchange		(581 390)	(86)	(581 476)
Administration expenses		161 780 341	(1 563 068)	160 217 273
Depreciation and amortisation		27 134 623	(31 360)	27 103 263
Bargain council subsidies		4 087 696	(3 559)	4 084 137
Operating expenses		12 494 728	81 234	12 575 962
Case disbursement expenses		180 974 281	310 124	181 284 405
		<b>378 968 177</b>	<b>(2 532 707)</b>	<b>376 435 470</b>

#### Cash flow statement

31 March 2022

	Note	As previously reported	Correction of error	Restated
<b>Cash flow from operating activities</b>				
Services rendered		6 340 918	129 770	6 470 688
Other income		1 113 329	(3 104)	1 110 225
Employee related costs		(579 140 193)	2 070 211	(577 069 982)
Suppliers		(336 815 477)	(2 196 874)	(339 012 351)
		<b>(908 501 423)</b>	<b>3</b>	<b>(908 501 420)</b>

#### Receivables from exchange transactions, Service rendered and Other Income

Service rendered and other income were not correctly accounted for in the in the prior year. These transactions also affect receivable from exchange transactions and accumulated surplus.

#### Prepayments

Prior year error arose as a result of mistatement of open tickets that had not been used by the CCMA. These transactions also affect accumulated surplus and payables from exchange transactions.

#### Property, Plant and Equipment, Intangible Assets and Depreciation and amortisation

Property, Plant and Equipment and Intangible assets errors results from prior year assets that were not correctly accounted for. These errors also affect depreciation and amortisation as well as accumulated surplus.





Financial Statement for the year ended 31 March 2023

**Notes to the Financial Statements**

Figures in Rand	Note(s)	2023	2022 Restated*
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**35. Prior-year adjustments (continued)**

**Payables from exchange transactions, Administration expenses, Bargain council subsidies, Operating expenses, Case disbursement expenses and Gain on foreign exchange**

Prior year errors on payables from exchange transaction are as a result of expenses not accounted for or recognised in an incorrect financial year. These errors also affect accumulated surplus, operating expenses, administration expense, case disbursement expenses and gain on foreign exchange.

**Related parties - Payable by CCMA**

	As previously disclosed	Correction of error	Restated
Safety and Security Sectoral Bargaining Council	39 151	(3 559)	35 592
Unemployment Insurance Fund	-	435 886	435 886
	<b>39 151</b>	<b>432 327</b>	<b>471 478</b>

The errors are as a result of transactions incorrectly accounted for in the previous years.

**Related parties - Receivable by CCMA**

	As previously disclosed	Correction of error	Restated
Unemployment Insurance Fund	2 977 658	(2 977 658)	-

The errors are as a result of transactions incorrectly accounted for in the previous years.

**Commitments**

	As previously disclosed	Correction of error	Restated
Authorised capital expenditure	30 168 824	(2 484 835)	27 683 989

The commitments balance was restated due to a payment accounted for incorrectly in the register in the prior year.



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 36. Services in-kind

31 March 2023	Description of services	Number of days per region	Number of venues used	Amount
Port Elizabeth	Non paying venue	182	7	-
East London	Non paying venue	508	13	-
Free State	Non paying venue	133	3	-
Mpumalanga	Non paying venue	697	9	-
KwaZulu Natal	Non paying venue	418	9	-
Northern Cape	Non paying venue	225	8	-
Western Cape	Non paying venue	300	12	-
Limpopo	Non paying venue	1 330	20	-
Tshwane office		-	-	4 834
Head office		-	-	311 965
Western Cape		-	-	11 451
		<b>3 793</b>	<b>81</b>	<b>328 250</b>

31 March 2022	Description of services	Number of days per region	Number of venues used	Amount
Port Elizabeth	Non paying venue	128	5	-
East London	Non paying venue	335	11	-
Free State	Non paying venue	45	2	-
Mpumalanga	Non paying venue	875	11	-
KwaZulu Natal	Non paying venue	259	10	-
Northern Cape	Non paying venue	277	19	-
Western Cape	Non paying venue	304	18	-
Limpopo	Non paying venue	1 058	13	-
Ekurhuleni		-	-	38 500
Limpopo		-	-	143
Limpopo		-	-	750
		<b>3 281</b>	<b>89</b>	<b>39 393</b>

The CCMA used 81 (31 March 2022: 89) non paying venues during the period. The use of venues is significant to the CCMA as it allows the CCMA to deliver on its mandate and expand its accessibility across South Africa. However, the venues are offered across the country, and rates payable in the venues are not always available, resulting in the CCMA being unable to determine the cost of the venues fairly.





Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 37. Risk management

#### Liquidity risk

The CCMA's risk to liquidity is a result of the funds available to cover future commitments. The CCMA manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Finance lease liability	393 761	27 006	-
Payables from exchange transactions	50 293 101	-	-

At 31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Finance lease liability	754 279	382 298	-
Payables from exchange transactions	56 739 566	-	-

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument		
Cash and cash equivalents	140 691 830	141 585 473
Receivables from exchange transactions	1 347 903	1 306 188

#### Market risk

##### Interest rate risk

The CCMA manages its interest rate risk by effectively investing available cash surplus with the Corporation for Public Deposits in accordance with the National Treasury regulations.



Financial Statement for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in Rand	Note(s)	2023	2022 Restated*
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### 37. Risk management (*continued*)

#### Foreign exchange risk

The entity does not hedge foreign exchange fluctuations.

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

#### Foreign currency exposure at statement of financial position date

##### Liabilities

Current, USD199 335 (USD721 526)	3 550 934	10 440 481
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##### Exchange rates used for conversion of foreign items were:

USO	17.81	14.47
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### 38. Change in estimate

#### Property, plant and equipment and Intangible Assets

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

The effect of the revision for the financial year 2022/23 is a decrease in depreciation expenditure by an amount of R2.4 million





Commission for Conciliation, Mediation and Arbitration  
Address: CCMA National Office, 28 Harrison Street,  
Johannesburg 2001

Phone: (011) 377-6650 / (011) 377-6600 • Fax: (011) 834-7351  
Email: [info@ccma.org.za](mailto:info@ccma.org.za)

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