



national consumer tribunal



ANNUAL REPORT 2015/2016

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OUR TEAM

MANDATE

The National Consumer Tribunal (NCT or Tribunal) is an independent adjudicative entity. It derives its mandate from the National Credit Act (NCA), Act No. 34 of 2005. This mandate was expanded in 2008 to include matters arising from the Consumer Protection Act (CPA), Act No. 68 of 2008.

VISION

“To be recognised as an independent and fair adjudicator in promoting and advancing the socio-economic welfare of South Africans.”

MISSION

“The provision of accessible adjudication and redress on matters referred to the NCT in terms of the National Credit Act and the Consumer Protection Act.”



national consumer tribunal



PART A

GENERAL INFORMATION

GENERAL INFORMATION

Registered name	National Consumer Tribunal (NCT or the Tribunal)
Physical address	Ground floor, East Wing, Building B, Lakefield Office Park, 272 West Avenue (cnr West Ave and Lenchen Ave North), Centurion, 0157
Postal address	Private Bag X 110, Centurion, 0046
Telephone number/s	012 683 8140
Fax number	012 663 5693
Email address	registry@thenct.org.za
Website address	www.thenct.org.za
External auditors	Auditor-General of South Africa
Bankers	Nedbank Ltd Reserve Bank of South Africa

LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa	PAJA	Promotion of Administrative Justice Act, Act No. 3 of 2000
APP	Annual Performance Plan	PC	Portfolio Committee
BIG	Business Innovation Group	PEO	Public Entity Oversight of the dti
CCRD	Consumer and Corporate Regulation Division of the dti	PFMA	Public Finance Management Act, Act No.1 of 1999
CFO	Chief Financial Officer	SAN	Storage Array Network
CIPC	Companies and Intellectual Property Commission	SLA	Service Level Agreement
COBIT	Control Objectives for Information and Related Technology	the dti	Department of Trade and Industry
COO	Chief Operating Officer		
CPA	Consumer Protection Act, Act No. 68 of 2008		
EAF	Enterprise Architecture Framework		
ENE	Estimates of National Expenditure		
EXCO	Executive Committee		
GRAP	Generally Recognised Accounting Practice		
HR	Human Resources		
ICT	Information and Communication Technology		
IYM	In-Year Management		
King III	King Code of Governance Principles and King Report on Governance		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
MTEF	Medium-Term Expenditure Framework		
NCA	National Credit Act, Act No. 34 of 2005		
NCAA	National Credit Amendment Act, Act No. 19 of 2014		
NCC	National Consumer Commission		
NCR	National Credit Regulator		
NCT	National Consumer Tribunal		
OHS	Occupational Health and Safety		



Dr R Davies (MP)
Minister of Trade and Industry

FOREWORD BY THE MINISTER

“ DESPITE FACING AN UNPRECEDENTED INCREASE IN ITS CASELOAD, THE NCT HAS AGAIN ACHIEVED 100% OF ITS TARGETS SET FOR THE YEAR. ”

The National Consumer Tribunal (NCT) continued during 2015/16 to promote the creation of a fair regulatory environment through its adjudication of credit and consumer matters with efficiency and effectiveness.

Despite facing an unprecedented increase in its caseload, the NCT has again achieved 100% of its targets set for the year. It is a reflection of the NCT's commitment to find more innovative ways of working and enhancing its efficiencies within its allocated resources.

The NCT's Strategy, Annual Performance Plan and Business Plan are fully aligned with government's National Development Plan and the Mid-term Strategic Framework through, amongst others, its service delivery, good governance and contribution to youth employment and development, demonstrated through its internship and contingency pool programmes.

I congratulate the NCT for achieving a clean audit for the 4th successive year.

I wish to commend the NCT leadership and staff for their efforts to ensure the protection of South African consumers.



Dr R Davies (MP)
Minister of Trade and Industry
29 July 2016



Ms D Terblanche
Executive Chairperson



DESPITE THE ALMOST 100% UPSURGE IN ITS CASES AS DETAILED BELOW, THE TRIBUNAL NEVERTHELESS MANAGED TO ACHIEVE ALL ITS OBJECTIVES



Introduction

I am honoured to present the Annual Report of the National Consumer Tribunal (NCT) for the 2015/16 financial year. The report gives an account of the Tribunal's performance in line with its legislative mandate, and reflects on some of the key challenges and highlights experienced during the period under review. This report is significant as it is my last, in my capacity as Executive Chairperson. Before the end of the next reporting period, my term of office, as well as that of ten other Tribunal members, comes to an end.

I therefore present this Annual Report with a heightened sense of pride and achievement elicited not only by overseeing the Tribunal's establishment and growth over the past ten years, but also in the fact that in that growth, the NCT has made a discernible impact in the socio-economic lives of the people of South Africa. It humbles me to have had the opportunity to lead such a caring and efficient organisation and to have witnessed its growth and development during that period.

Performance highlights and challenges – a strategic overview

The main performance highlight for the Tribunal during the reporting period was that despite the almost 100% upsurge in its cases as detailed below, the Tribunal nevertheless managed to achieve all its objectives. This was achieved against the backdrop of the grant income of the Tribunal increasing by 14.60% on average year-on-year, the staff complement from 38 to 41, and the number of Tribunal members remaining on 13.

The Tribunal received 19 097 filings for 2015/16 (18, 459 with duplicate filings excluded), which equates to an increase of 92.50% from the 9 589 cases received during the 2014/15 financial year, and a 242,72% increase on the 5,386 cases received during 2013/14. The Tribunal experienced growth of 9.04% on the non-debt re-arrangement applications (non-DRA) filed with it, which by their nature is much, more resource intensive. From this it is evident that over a three-year period, the number of cases received by the Tribunal has almost quadrupled. Approximately 99% of the cases filed with the Tribunal were debt re-arrangement agreement applications (DRA).

While we view this increase of filings with the Tribunal in a positive light as evidence of the increased awareness and confidence in the Tribunal by its stakeholders, it has concomitantly put a significant strain on the Tribunal ensuring that it consistently meets its quarterly targets. This and other internal factors led to the Tribunal not meeting its quarterly targets throughout the year. We had to re-strategise and re-design our case management process and strengthened the oversight, management and reporting functions. We also increased our engagements with our key stakeholders, engaging with them regarding the changes in our adjudication processes and locations. The outcome of this and the exceptional hard work and commitment by the Tribunal members, management and staff is that the Tribunal managed to expedite the case management process and finalisation of cases.

A welcome expansion of the Tribunal's legislative mandate came into effect immediately before the end of the previous financial year. We anticipate a further increase in applications related to the increased mandate, such as reckless lending.

In order to manage the upsurge and unpredictability of the caseload, the Tribunal engaged several strategies. Firstly, the Tribunal created a contingent pool of legal and administrative professionals to be utilised as and when required. This arrangement has come with its own challenges as it has increased the supervisory responsibilities of permanent staff to do quality control and ameliorate the risk of poor case management and incorrect data capturing, and has further pointed to the need for more office space.



WE HAD TO RE-STRATEGISE AND RE-DESIGN OUR CASE MANAGEMENT PROCESS AND STRENGTHENED THE OVERSIGHT, MANAGEMENT AND REPORTING FUNCTIONS.



Secondly, the Tribunal engaged with various stakeholders, including universities, consumer affairs offices, courts, professional associations, ADRs and regulators to ensure that only the cases that should rightfully come to the Tribunal are received. This has resulted in better coordination and improved access to and cohesion in consumer protection activities among stakeholders. Moreover, a joint conference was held with the National Credit Regulator (NCR) and the National Consumer Commission (NCC) in February 2016 to enhance cooperation and coordination among stakeholders with a consumer protection and credit regulation mandate to improve service delivery to consumers.

Thirdly, the introduction of the new motion court process for DRA matters during the review period has gone a long way in managing the case load and turnaround times. This process resulted in 9 667 orders being issued in seven months. The long-term solution will require enhancement of the Tribunal's CMS used in conjunction with the motion court process to ensure greater accessibility to filing parties.

Despite the challenges of an increased caseload faced by the Tribunal during 2015/16, we have managed to retain the rigour and high quality of our decisions issued to parties. In this regard, out of 11 instances in which the Tribunal was taken on appeal, since inception only once was the decision of the Tribunal overturned, and that was at the onset of it executing its adjudicative mandate in 2011.

Another challenge faced by the Tribunal during this period was some of the teething problems associated with the implementation of the CMS. This, combined with the upsurge in caseload, resulted in the Tribunal experiencing challenges in attaining and sustaining the expected levels of service delivery.

Our case management was put to the test in dealing with the above simultaneous challenges. This then resulted in a refocus of how we managed our cases. We implemented a team system, together with greater oversight over our cases, which resulted in improved turnaround times towards the end of the financial year, than what was experienced in the beginning of the year.

We laid the groundwork for enhanced staff consultation. We had team alignment sessions and started the process of establishing an employee forum.

2015/16 was on many levels a watershed year. We were tested in a number of respects, for example how agile we are in re-strategising to address our caseload in instances of higher than expected demand for our services. In some instances, we met the expectations, and in others we were found wanting and addressed those immediately we became aware of our shortcomings. However, where we recognised that we could do better, we took the lesson and will utilise same to build in the future.

Fiscal prudence and good governance

Due to the motion court process we implemented, the increase in our filing fee, the anticipated ICT interventions as well as savings on other line items, the Tribunal should be able to see 2016/17 as well as 2017/18 through within its allocated budget. However, as indicated, if the caseload increases at the same rate as experienced in the past years, we may have difficulty in achieving our mandate within our allocated budget.

The Tribunal ascribes to the principles of a clean administration and, to that effect, maintains rigorous governance structures, systems and processes.

The governance committees of the Tribunal held their meetings as scheduled and executed their responsibilities efficiently and effectively and their recommendations were, where accepted, either implemented or placed on an implementation plan.

The Tribunal received its fourth consecutive clean audit in so many years.



2015/16 WAS ON MANY LEVELS A WATERSHED YEAR.



No instances of fraud were reported during the period under review.

In relation to supply chain management, service level agreements were signed and managed with service providers, and 100% of undisputed invoices were paid within 16.44 days on average from date of receipt. No instances of irregular, fruitless or wasteful expenditure were identified during the reporting period.

“ THE TRIBUNAL RECEIVED ITS FOURTH CONSECUTIVE CLEAN AUDIT IN SO MANY YEARS. ”

In total, a set of nine annual measurable objectives were set for the reporting period, all of which were achieved through a process of setting high standards of our staff, strict performance management for both staff and Tribunal members, proactively identifying risks and addressing these with timeous implementation of appropriate action plans and corrective measures.

Future plans

In the year ahead, the Tribunal will continue to strengthen ICT interventions to meet the Tribunal's increased need for automation of data capturing, repetitive, redundant, reporting and verifications actions in line with the NCT Strategy as devolved into the dedicated ICT Strategy and Business Plan. The NCT will also initiate change management processes associated with changes brought about by ICT and process enhancements and changes.

Furthermore, if the NCT has to successfully execute its mandate, the appointment of an Executive Chairperson and 17 Tribunal members is a priority. Additional resources will be required, particularly the Tribunal members to adjudicate on the increased case load, as well as additional administrative personnel to assist the Tribunal with running additional motion courts in different locations simultaneously and enable the Tribunal to deal with non-DRA cases timeously and efficiently. There also has to be a commensurate increase in revenue.

Events after the reporting date

I am not aware of any matter or circumstance arising since the end of the financial year, which has an impact on the information in this report.

Acknowledgements

In conclusion, I wish to express my sincere gratitude to all the Tribunal members, members of governance committees, the management team, the permanent and contingent staff and contractors for their commitment and diligence in ensuring that we execute our mandate successfully. These achievements would not have been possible without the contribution of each and every person selflessly giving of themselves and at times burning the midnight oil.

I would also like to thank the Minister of Trade and Industry, the Consumer and Corporate Regulation Division (CCRD) and Public Entity Oversight (PEO) of **the dti** for their unwavering support during the year.

When my term ends, I am confident that I will be leaving behind an organisation that has a visionary leadership team, efficient systems, a sound financial base and a human capital base that is aligned with the legislative mandate of the Tribunal.



Ms D Terblanche
Executive Chairperson
National Consumer Tribunal
29 July 2016

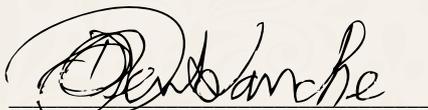
STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General SA
- The Annual Report is complete, accurate and free of any omissions
- The Annual Report was prepared in accordance with the guidelines as issued by National Treasury
- The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the NCT
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information
- The Accounting Authority is responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance as to the integrity and reliability of the performance information, HR information and Annual Financial Statements
- The Auditor-General SA is engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the HR information and the financial affairs of the NCT for the financial year ended 31 March 2016.

Yours faithfully



Ms D Terblanche
Executive Chairperson
National Consumer Tribunal
29 July 2016



NATIONAL CONSUMER
TRIBUNAL



STRATEGIC OVERVIEW

Vision

"To be recognised as an independent and fair adjudicator in promoting and advancing the socio-economic welfare of South Africans."

Mission

"The provision of accessible adjudication and redress on matters referred to the NCT in terms of the National Credit Act and the Consumer Protection Act."

Guiding principles

The NCT's guiding principles defines its approach to adjudication and are aligned with its legislative principles, which require that it conducts its hearings in a manner that is:

- Inquisitorial
- Expeditious
- Informal
- In accordance with the principles of natural justice.

Values

The NCT's values define and shape its culture and guide how staff members interact, both internally and with external stakeholders. The NCT strives to meet the requirements of the Constitution of South Africa, Chapter 10 on the Public Administration. This emphasises certain basic values and principles governing public administration and requires that public administration be governed by the democratic values and principles enshrined in the Constitution.

The NCT's values are:

- **Honesty and integrity:** Being truthful, uncompromising and acting impartially, without fear or favour, in our relationships with all stakeholders.
- **Accessibility:** Being aware of and valuing diversity as well as being available to serve our purpose and mandate.
- **Transparency:** Being open with stakeholders and communicating the basis upon which decisions are made and actions taken.
- **Accountability:** Accepting responsibility for our own commitments and actions.
- **Respect:** Considering and valuing the views of others, their values and constitutional rights.
- **Recognition:** Acknowledging all stakeholders, their role and the institution.
- **Responsiveness:** Responding appropriately and in a timely manner.
- **Approachability:** Being open to ideas, thoughts and actions, and taking time to understand and explain processes to

stakeholders, as well as communicating in clear, simple language.

- **Ethical behaviour:** Making decisions in ways that ensure fair, equitable outcomes for our stakeholders.

Key value drivers

The NCT's key value drivers are the specific performance areas in which it is assessed for performance, both internally and by all stakeholders.

The following key value drivers were determined for the 2015/16 financial year:

1. Ability of the NCT to contribute to the efficiency and effectiveness of the overall consumer regulatory system.
2. Effective and efficient case adjudication that is:
 - Inquisitorial
 - Informal
 - Expeditious
 - In accordance with the principles of natural justice

3. Effective management of cases.
4. Sound organisational management.

Strategic outcome-orientated goals

After carefully assessing its strategic and operating environments, the following strategic outcome-oriented goals were identified by the NCT: ie to -

1. Effectively and efficiently adjudicate cases
2. Contribute to an efficient and effective consumer regulatory system
3. Ensure sound organisational management.

These goals provide clear direction to the NCT's work, and each goal is supported by specific objectives, which are in turn supported by projects and/or activities that are detailed in the operational plans of the organisation.

LEGISLATIVE AND OTHER MANDATES

The NCT is an independent adjudicative entity which derives its mandate from the National Credit Act, Act No. 34 of 2005 (NCA) and the Consumer Protection Act, Act No. 68 of 2008 (CPA). It is classified as a Schedule 3A entity in terms of the Public Finance Management Act, Act No.1 of 1999 (PFMA).

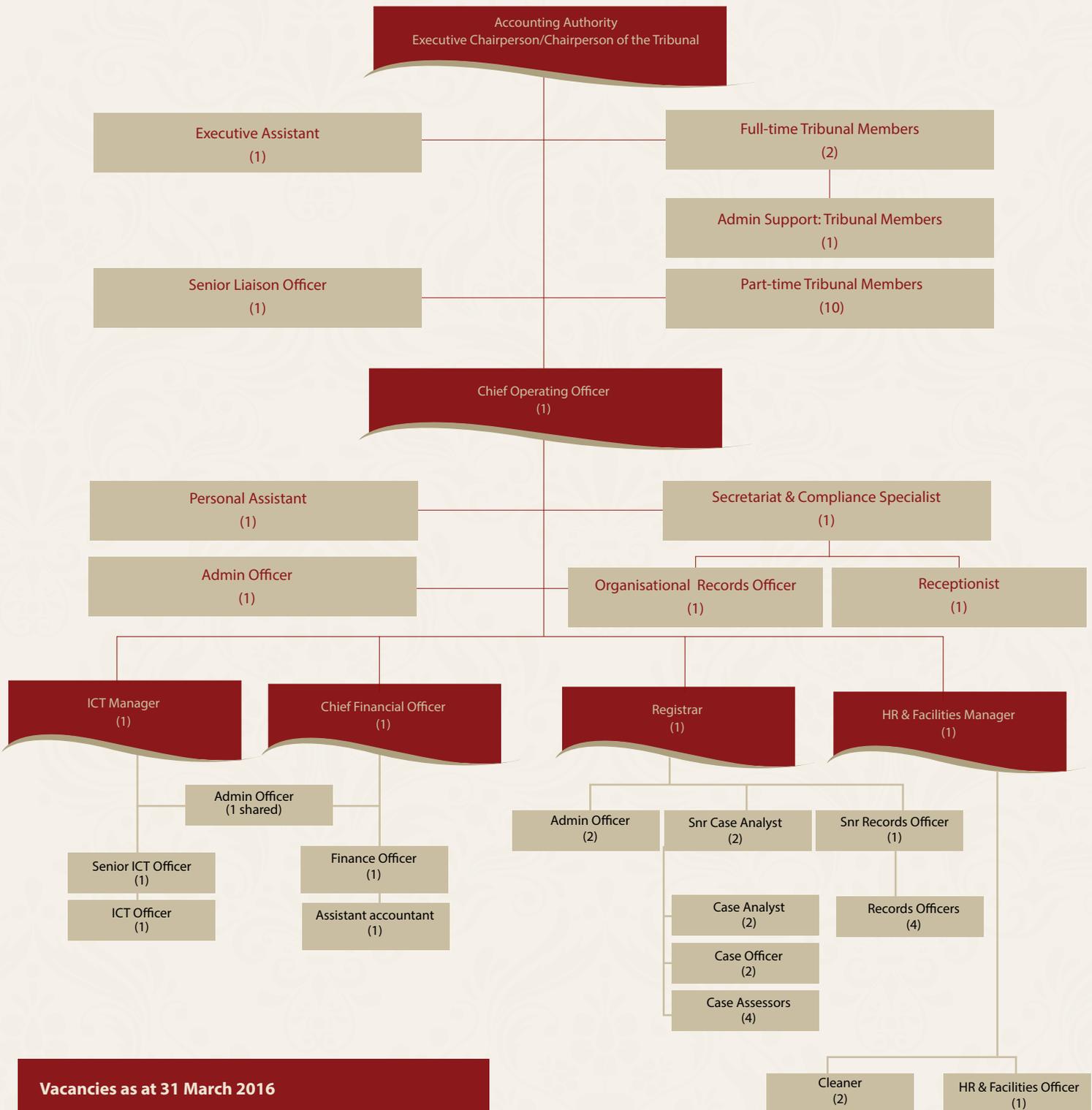
The NCT, through its adjudicative mandate and its consideration of matters of prohibited conduct, plays a significant role in upholding and preserving the principles enshrined in the Bill of Rights. Specifically, the NCT has a direct impact on the following areas within the Constitution of the country, under the Bill of Rights:

- **Sub-section 9:** Equality – The NCT is accessible to all consumers and businesses, thereby playing a significant role in ensuring that parties have the right to equal protection and benefit of the law. The NCT, through its value system, also strives to respect human diversity and ensure that no form of discrimination is tolerated
- **Sub-section 10:** Human dignity – Through the adjudication process, the NCT ensures that prohibited conduct on the part of providers of goods and services, as well as the relevant action thereto does not impair human dignity
- **Sub-section 14:** Privacy- Whilst adhering to its founding legislation, and as part of its case management process, the NCT ensures that people's privacy is protected;
- **Sub-section 33:** Just administrative action – The NCT ensures that it hears both sides to a dispute and that it issues reasons for its decisions.



ORGANISATIONAL STRUCTURE

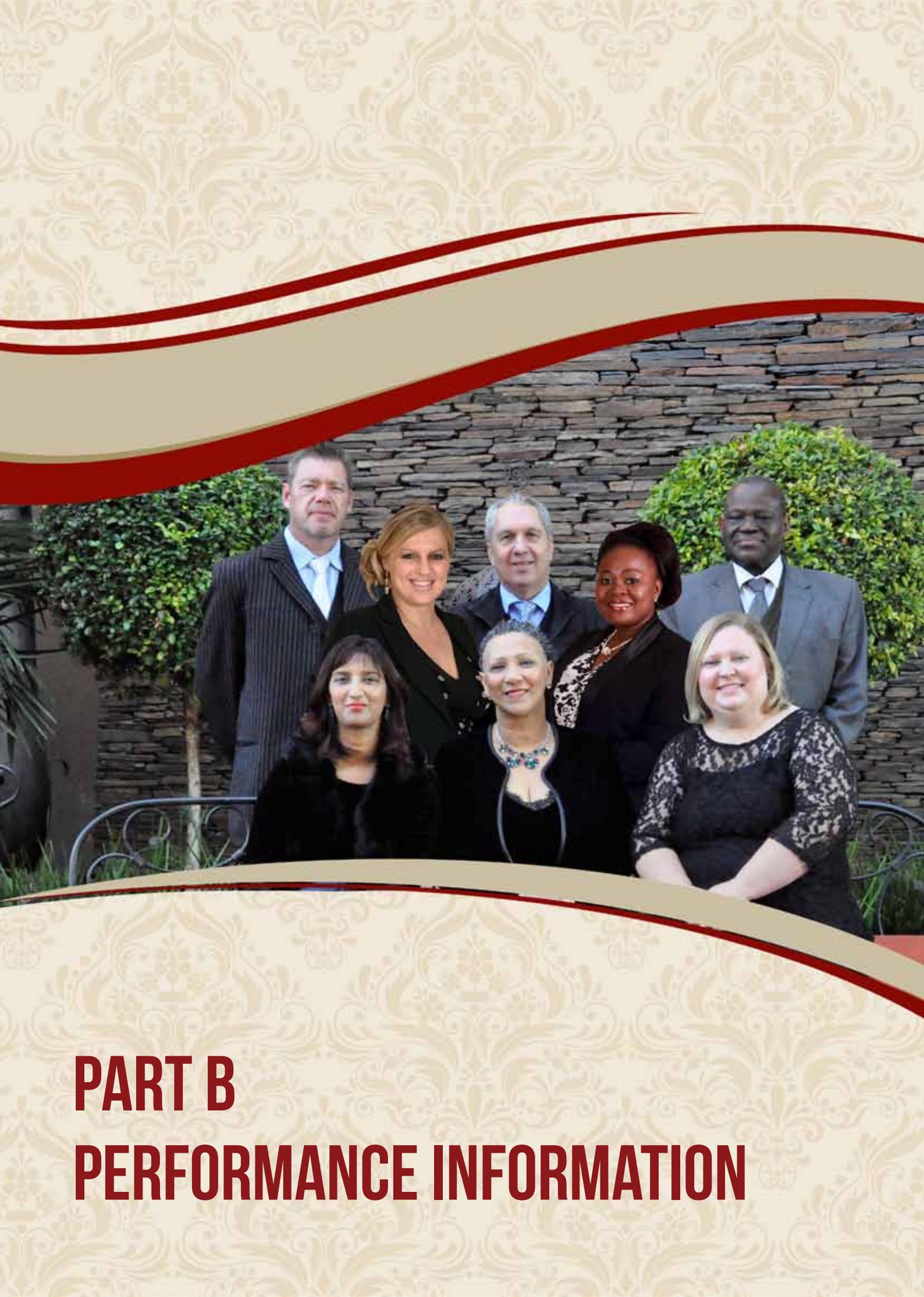
The organisational structure of the NCT as at 31 March 2016 was as follows:



Vacancies as at 31 March 2016

HR & Facilities Manager
Senior Records Officer
HR & Facilities Officer

Case Analyst
Case Assessor
Admin Officer: COO



PART B

PERFORMANCE INFORMATION

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 84 to 85 of the Auditor-General's Report, published under Part E: Financial Information.

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the NCT's 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 reported on under the Predetermined Objectives heading in the Report on other Legal and Regulatory Requirements section of the Auditor's Report.

SITUATIONAL ANALYSIS

Service delivery environment

Political events in December 2015 saw a drastic depreciation in the external value of the Rand against the American dollar, further affecting the rate of inflation through high import prices which had a direct impact on the consumers in South Africa.

The political events during the reporting period impacted on the service delivery of the NCT in that consumers became more aware of their rights and citizens demanded that the government meet their needs more proactively. This had a significant impact on the caseload received by the Tribunal. During the 2015/16 financial year, the Tribunal had an unprecedented increase in the number of cases brought before the Tribunal

In February 2016 the CPI reached a peak of 7% before moderating at 6.3% in March 2016.

Uncertainty and pessimism dominated the economic and business climate during the year under review considering that six years after the global financial crisis, gross domestic product (GDP) growth for a majority of the world economies shifted to a noticeably lower path compared to pre-crisis levels. While at face value the mood remained gloom, with a number of negative causal factors, including China's financial slowdown, volatility in oil prices, and the further weakening of the US economy, no threat of a global economic recession was imminent. The largest downward adjustments could be seen in emerging markets, of which Brazil and Russia are the most pronounced, as their economic outlook deteriorated.

The South African economy could not be immune from these challenges facing the global market as it slacked during the reporting period with growth of 1.3% in 2015, down from 1.5% in 2014 and 2.2% in 2013, according to preliminary estimates of real gross domestic product (GDP) published by Statistics South Africa. The levels of production performance was also reflected in low levels of job creation. By the end of the reporting period the rate of unemployment had peaked to 26.6%, the highest level since the global recession in 2008. This was reflected in the low levels of the consumer confidence index for most of the year, as measured by the Bureau of Economic Research. Business confidence also continued to deteriorate. As a result, the South African Reserve Bank revised its estimates for future economic growth downwards, taking into

account the pronounced downward trend reflected by the Bank's leading indicator of economic activity.

Various factors contributed to the economic slowdown experienced in 2015. The country contended with power shortages going into 2015 although by the end of the financial year the situation had stabilized. Severe drought conditions saw the agricultural sector contracting by 8.4%, the largest annual fall in agriculture production since 1995. The decrease in 2015 was mainly due to a sharp drop in the production of field crops. The electricity, gas and water supply industry also shrank in size, contracting by 1.0%. Growth in manufacturing was almost flat in 2015, with the industry expanding marginally by 0.1%.

On the back of increasing food, crude oil and electricity prices, among other things, there was a real threat of the rate of inflation measured in terms of the Consumer Price Index breaching the 3%-6% target range by the end of the financial year.

One way of curbing an increase in the rate of inflation is by discouraging borrowing, thereby reducing consumption expenditure. Thus, the South African Reserve Bank increased the repo rate four times during the reporting period (by 25 basis points each in July and November 2015, 50 basis points in January 2016 and 25 basis points in March 2016), to 7% per annum. This directly affects the cost of credit to consumers through higher rates of interest.

As a result, growth in credit extended to households moderated in the first half of 2015, mainly due to a deceleration in the growth rate of credit-card advances and instalment sales, which is also a reflection of the high cost of credit and generally weaker economic conditions. Household debt remained elevated despite having decreased marginally as a percentage of disposable income. The number of consumers with impaired credit records increased during the first half of the period under review before decreasing marginally by the end of March 2016.

This notwithstanding, the unintended consequence of high rates of interest is that it entrenches over-indebtedness by consumers who are already financially distressed. This is reflected in the form of an increase in the number of consumers applying for debt review and thus an increase in the caseload of the Tribunal as witnessed during the period under review. Thus, given the subdued economic outlook and persistently high levels of unemployment, a reduction in household debt levels is unlikely, making it more difficult for households to withstand economic contractions. The subdued economic conditions were also reflected in house prices, which impacted negatively on the balance sheets of households.

Although the National Credit Amendment Act was promulgated during the period under review, giving the Tribunal powers to deal with cases of reckless credit, the effect of this change has not been pronounced on the Tribunal but is likely to be felt in the coming year. Nevertheless, the South African financial services sector remained sound at 2.8%, maintaining capital levels well in excess of the minimum prudential requirement. Profitability also remained high and credit risks well managed. As this is the largest industry, comprising 21% of the entire economy, its increase in activity was the main positive contributor to the 1.3% annual rise in GDP.

Organisational environment

With the continued evolution of technology, which significantly improves the ability for one to deliver a service to clients, the NCT has taken advantage of this during this period by implementing a number of ICT interventions, which improves the experience to external stakeholders of the Tribunal's services. The end user is becoming increasingly more sophisticated in how they wish to submit and receive information. The NCT has moved significantly towards a paperless environment whereby information and data is electronically exchanged between parties, which is far more user friendly in terms of the carbon footprint. ICT has now placed the NCT in the enviable position whereby there is ease of access of information to authorized stakeholders in a fast and highly efficient manner.

Overall the organisational environment and staff morale were impacted largely by the exceptional level of increase in the case filings with the Tribunal as well as maintaining continuity in some executive management roles.

This placed tremendous pressure on executive management, staff and Tribunal members. It meant they had to put in much more time and effort beyond standard working hours and their ordinary job responsibilities to ensure that the Tribunal achieves its business plan objectives within its allocated resources.

The increasing use of technology could potentially give rise to information threats and security breaches. As a result the NCT has taken these threats seriously and mitigated them through the adoption of relevant ICT increased security measures.

The caseload increased substantially during the 2015/16 reporting period by 92.50%, as the Tribunal received 18,459 (19,097 with duplicate included) cases compared to 9,589 during the 2014/15 reporting period. This increase, which has not been matched by a commensurate increase in the Tribunal's financial and human resources, compelled the Tribunal to review and revise the case management and adjudication processes.

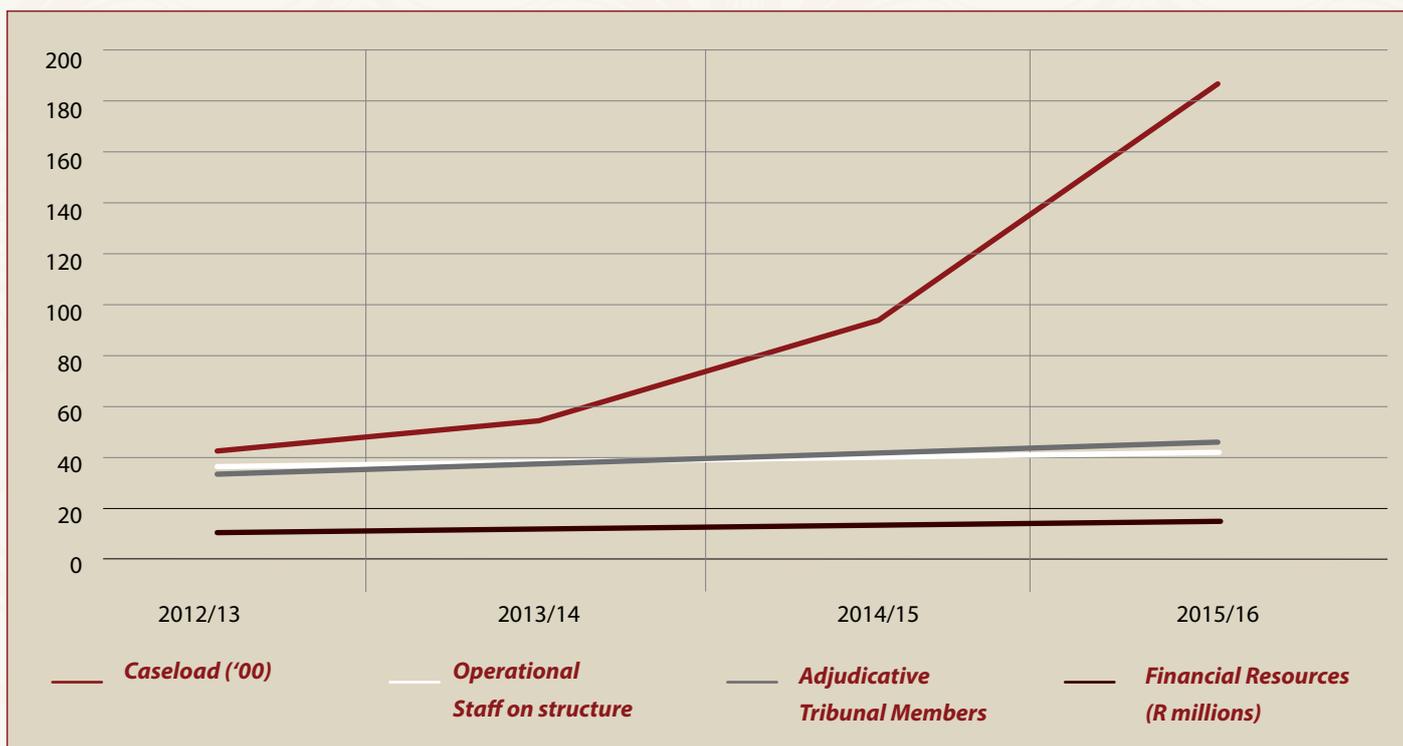


Figure 1 - Comparative Growth of Operational Adjudicative and Financial Resources

In order to manage the upsurge and unpredictability of the caseload, the Tribunal engaged several strategies albeit they came with their own challenges.

Firstly, the Tribunal utilised the contingent pool of legal and administrative professionals it established in the previous years to call upon in periods that the case filings spikes. The increase however remained consistently high throughout the year and these individuals had to be

¹ Credit Bureau Monitor: First Quarter, March 2016.

called upon practically on an on-going basis. This increased the risks of data capture errors and a slow-down in the case management process and the finalisation of cases. The supervisory and quality control demands on permanent staff increased and office space became oversubscribed.

Secondly, the Tribunal engaged with various stakeholders, including universities, consumer affairs offices, courts, professional associations, ADRs and regulators to ensure that only the cases that should rightfully come to the Tribunal are received. This resulted in many more strategic engagements than what was initially planned for the year and the additional constraints it placed on the senior management resources. This has however resulted in better coordination and improved access to and cohesion in consumer protection activities among stakeholders. Moreover, a joint conference was held with the National Credit Regulator (NCR) and the National Consumer Commission (NCC) in February 2016 to enhance cooperation and coordination among stakeholders with a consumer protection and credit regulation mandate to improve service delivery.

Thirdly, the introduction of the new motion court process for DRA matters during the review period has gone a long way in managing the caseload and turnaround times. This process resulted in 9 667 orders being issued in seven months. The long-term solution will require enhancement of the Tribunal's CMS used in conjunction with the motion court process to ensure greater accessibility to filing parties and expeditious and finalization of cost effective cases.

The continued evolution of technology and its ability to improve organisational delivery of quality service to its clients created an advantage for the NCT during this period as the Tribunal implemented a number of ICT interventions, which improved the experience to external stakeholders. The end-user is becoming increasingly more sophisticated in how they wish to submit and receive information. The NCT has moved significantly towards a paperless environment whereby information and data is electronically exchanged between parties. This leads to a more paperless environment, which is far more user-friendly in reducing carbon footprints.

The increasing use of technology does give rise to potential information threats and security breaches. As a result, the NCT has taken seriously the need to mitigate this risk through the adoption of relevant ICT applications. ICT has now placed the NCT in the enviable position whereby there is ease of access of information to authorised stakeholders in a fast and highly efficient manner.

The organisational structure largely remained the same as in the previous financial year. Moreover, the arrangements that started in the previous year to achieve optimum efficiency by consolidating case and records management in the Office of the Registrar, management of operational records in the Office of the Chief

Operating Officer and aligning facilities management with human resources management continued.

The Governance Committees of the NCT continued to operate effectively. The overall operations of the NCT were strengthened by the implementation of various operational committees.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The National Credit Amendment Act

The National Credit Amendment Act, No. 19 of 2014 (NCAA) amending the NCT's founding act, the NCA, came into effect towards the end of the previous financial year on 13 March 2015, and expanded the NCT's mandate. The definition of prohibited conduct was amended and, through this amendment, it expanded the number and types of prohibited conduct that can be brought before the NCT, as follows:

- Includes offences in terms of the definition of prohibited conduct and, therefore, extends the Tribunal's mandate to also prohibited conduct and offences in terms of the NCA.
- Reckless credit matters, which used to be solely within the domain of the civil courts.
- Prohibited collection of prescribed debts.
- Matters involving payment distribution agents and alternative dispute resolution agents as registrants.

Furthermore, several changes were made to a number of sections of the Act, which will not only impact registrants, but could lead to a possible increase in the number of referrals to the NCT.

Amendments to the Rules of the Tribunal¹

As indicated in the previous annual report, the amendments to the Rules enable greater efficiencies by allowing the NCT to better manage its resources, increase access and reduce the cost of access by allowing for a process whereby parties can file electronically in future and make provision for changes necessitated by the NCAA. Filing with the Tribunal is made easier, quicker and cheaper in that parties may agree to serve documents, for example, by e-mail, without the need for follow-up service by registered post or hand delivery. In addition, the issuing of binding practice notes will assist the NCT in managing and streamlining its case management process with external parties.

The NCT is no longer obliged to do assessment of new applications filed against the filing requirements. Non-debt re-arrangement applications are still assessed in the office and prior to a hearing. In these cases, filing parties are often unrepresented and therefore requires the additional assistance in ensuring that matters brought

¹ Regulations for matters relating to the functions of the Tribunal and Rules for the conduct of matters before the National Consumer Tribunal, 2007, as amended ("the Rules of the Tribunal").



AMENDMENTS TO THE RULES ENABLE GREATER EFFICIENCIES



before the Tribunal meet the relevant filing requirements, resulting in less postponements as well as placing unrepresented parties in a position to place all relevant information in front of the Tribunal for adjudication.

Debt re-arrangement applications are however no longer assessed prior to the adjudication. During motion courts the debt counsellors are available at the time of adjudication and as such the assessment process forms part and parcel of the adjudication process. Should a Tribunal member require any additional information or correction to a debt re-arrangement application, the debt counsellor is allowed an opportunity there and then to provide the information or correct the application. As a result of this amended process, the Tribunal was able to again increase efficiency, despite the increase in the caseload.

STRATEGIC OUTCOME-ORIENTED GOALS

Each of the NCT's strategic goals is supported by specific objectives, which are, in turn, supported by projects and/or activities detailed in the operational plans of the organisation. The following strategic goals were identified for the reporting period:

1. To effectively and efficiently manage and adjudicate on matters brought to the NCT.
2. To contribute to an efficient and effective consumer regulatory environment.
3. To ensure effective and efficient organisational management.

Strategic objectives

The NCT bases its performance on its legislative mandate as set out in the NCA and CPA and in its Annual Performance Plan (APP) 2015/16 and Business Plan 2015/16. Performance targets and the budget for the year are based on these plans and are informed by the Business Plan.

The following strategic objectives were set for 2015/16:

- To expedite service delivery through the expeditious finalisation of complete debt-rearrangement applications.
- To expedite service delivery through the expeditious finalisation of complete non-DRA applications.
- To ensure that the NCT decisions are substantively and procedurally correct.
- To ensure cooperation and partnership amongst external stakeholders through ongoing engagement.
- To build Tribunal capacity through research papers or approved briefing papers on consumer protection and credit related matters, added to the NCT knowledge database.
- To effectively and efficiently manage the financial resources of the NCT.

- To enhance operational efficiency by implementing an enabling ICT architecture.
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate.
- To expand economic opportunities for historically excluded and vulnerable groups.

The NCT's performance against these objectives is set out on page 26 and 46.

PERFORMANCE INFORMATION BY PROGRAMME

Programme 1: Adjudication

The purpose of this programme is to provide the necessary administrative, adjudicative and related services to ensure that the NCT delivers successfully on its legislative mandate.

The following sub-programmes fall under this programme:

- **Case management** – provides services to ensure that all cases are timeously prepared, that filing parties and applicants are communicated with and that all pertinent information is recorded and disseminated.
- **Adjudication** – ensures that competent, professional, impartial adjudicators are available to attend to matters, that the procedures followed are fair and that adjudicators' decision-making is substantively sound, in accordance with legal precedents and requirements.

Strategic objectives

The following strategic objectives were set for 2015/16 for this programme and its sub-programmes:

- To expedite service delivery through the expeditious finalisation of complete debt-rearrangement applications.
- To expedite service delivery through the expeditious finalisation of complete non-DRA applications.
- To ensure that the NCT decisions are substantively and procedurally correct.

The NCT's performance against these objectives is set out in the table on the next page:

Performance against predetermined objectives

Output	Performance Measure or Indicator	Annual Target	4th Quarter milestones	Actual Achievement	Reason for Variance	Corrective Action
Responsive, timely service to stakeholders in line with mandate	Average number of days from date of complete filing of the DRA to date of issuing order to filing parties	< 75 days	< 75 days	Annual Performance: 73,33 days (10,826 orders issued in 793916 days).	The Tribunal changed its processes around the assessment of cases in line with the recent rule changes, which resulted in many cases being assessed and adjudicated on, on the same day. This has resulted in a reduction of the turnaround. The change in process was necessary to allow the Tribunal to deal with its increasing caseload as expeditiously as possible.	N/A
	Average number of days from date of close of pleadings of non-DRA to date of issuing judgment to filing parties	< 150 days	< 150 days	Annual Performance: 89,85 days	The Tribunal managed to set cases down, attend to hearings and issue judgments expeditiously. The Tribunal further actively managed its cases to ensure they are taken to completion. Cases were further allocated to case management teams, resulting in additional efficiencies. In addition, this resulted from cases having to be re-opened after the initial close of pleadings due to interlocutory applications even as late as on the hearing date.	N/A
Ensuring that the NCT decisions are substantive and procedurally correct and creating jurisprudence in consumer and credit matters	% of decisions overturned on appeal or review	< 5%	< 5%	0%	Over achieved. The Tribunal's decisions were not overturned on appeal or review during the 2015/16 financial year, but upheld	N/A

CASE MANAGEMENT

Introduction

At present, there are approximately 35 different types of applications and 175 different types of prohibited conduct that may be brought to the NCT in terms of the NCA, the CPA and Rules of the Tribunal. The NCR, the National Consumer Commission (NCC), consumers, credit bureaus, credit providers, debt counsellors, payment distribution agents, alternative dispute resolution agents and service providers may bring applications before the Tribunal.

Only the NCR, NCC and, in certain cases, complainants may refer alleged prohibited conduct cases to the NCT for a determination. In some instances, the High Court may on application by a party, confer jurisdiction upon the NCT to hear a matter not otherwise provided for.

Office of the Registrar



Ms A Burger
Registrar

The Registrar's Office consists of 18 employees. The Registrar, together with the 2 Senior Case Analysts and the Senior Records Officer are responsible for the management of the Unit consisting of two Administrative Officers, four Records Officers, two Case Analysts, two Case Officers and four Case Assessors

The Registrar's Office plays a central role in the organisation in relation to case and records management. Through its case

management function, the function of the Registrar's Office provides case management, case support, including research and briefing papers, for Tribunal members in relation to the adjudication of cases; provides legal support and advice to the Tribunal in respect of organisational legal issues; and represents the Tribunal during internal labour proceedings, at labour forums and during court proceedings. Through the records management function, the Registrar's Office provides available, complete, secure and accessible case records to authorised stakeholders.

Objectives for the year

Four strategic objectives were set in the Registrar's Office for the year, shaped by the NCT's overall strategic objectives. These were:

To effectively and efficiently manage all the cases filed with the Tribunal, including providing effective and efficient case management support to Tribunal members in respect of matters allocated to them for adjudication

In order to achieve this goal, the Registrar's Office must expeditiously process matters filed with the Tribunal. Though the Registrar is responsible for managing this, this is the core function within the Tribunal and cuts across all roles in the Tribunal.

The case management process can be differentiated into the process followed for debt re-arrangement matters and for non-debt re-arrangement matters. In the reporting period, a sharp increase was experienced in the filing of debt re-arrangement applications (DRAs) consistent with previous reporting periods. Coupled with challenges experienced with the implementation and use of the Case Management System, the Registrar's Office experienced challenges in effectively and efficiently managing the cases and tracking them through to finalisation. These factors, especially against the onslaught of cases filed with the Tribunal during the reporting period, resulted in a backlog of cases quickly building up which required adjudication.

In an attempt to alleviate the backlog as well as other challenges experienced, a Motion Court process was introduced whereby these applications would be adjudicated by the Tribunal Members at the NCT offices in Centurion as well as other provinces in the country.

In this way, a debt counsellor is provided with a Tribunal Order in a particular matter on the day and, without further delay, provided that his/her matter was in order from a filing and adjudicative perspective. The Registrar's Office provides support to Tribunal members during the Motion Courts, as well as to the filing parties, ensuring that matters put forward are in order for adjudication.

The motion court process has been resoundingly successful as the

**“ THE MOTION COURT PROCESS HAS BEEN
RESOUNDINGLY SUCCESSFUL AS THE
TRIBUNAL ISSUED 100 % MORE ORDERS IN
2015/16 THAN IT DID PREVIOUSLY. ”**

Tribunal issued 100 % more orders in 2015/16 than it did previously. The average number of days for the issuing of orders on debt re-arrangement matters was 73,33 days from date of complete filing. It is to be noted that the Tribunal made a decision to no longer assess the DRA applications prior to a motion court, but instead assess the matter as part of the motion court process as from February 2016. This was necessary to ensure that the Tribunal deals with its matters in the most cost and time-effective manner possible and to ensure that the Tribunal meets its commitment to its stakeholders. Furthermore, this reduced the burden and timeframes of parties having to file additional documents and then wait for a further assessment of their matter. In this revised process parties are informed at motion court of outstanding documents and have an opportunity to provide the required documents. As a result of this decision, many matters are completed with a turnaround of zero days between date of complete filing and date of adjudication. Going forward, the specific measure will be reconsidered to ensure that it is updated in line with the Tribunal's motion court process. To this end, these matters will be measured from date of filing to date of issuing of the order.

With regard to the expeditious resolution of cases, non-debt re-arrangement matters were adjudicated within an average of 89.85 days from close of pleadings to the issuing of the judgment or ruling. The Tribunal managed to achieve this turnaround due to a number of reasons. Firstly, as a result of the Tribunal Chairperson delegates increased in depth oversight over the case management and reporting process, the case processes were actively managed to ensure that hearings are arranged and judgments issued expeditiously. Case teams were established and cases were further allocated to these teams, resulting in additional efficiencies. Tribunal members made extraordinary arrangements to avail themselves for Tribunal hearings and Motion court dates. In addition, ICT interventions such as the development and implementation of an electronic Case Management System, allowed the Tribunal to increase its efficiency and security in relation to the digitisation of its case records to mitigate the risks relating to inadequate document storage infrastructure as well as the possibility of breach of confidentiality of information. The ICT interventions further assisted with more reliable reporting and increased the Tribunal's ability to track its cases, thereby improving service delivery. As a result, the delays experienced during the first part of the year were resolved so that by the end of the financial year, the Tribunal was once again meeting its commitment to its stakeholders.

The Tribunal experienced delays are in non-debt re-arrangement matters when parties file interlocutory applications, which we hasten to say, they are entitled to do. These applications are filed,

in some instances, as late as the day of the hearing. They result in cases having to be re-opened after the initial closure of pleadings and adding additional days to the lifecycle of a case, when measured from date of filing. These types of delays are however unavoidable, as the Tribunal is required to act in accordance with the principles of natural justice and allow parties to exercise their respective rights.

In order to improve service delivery and effectively facilitate expeditious adjudication of cases, multiple cases have been set down for hearing on the same day to be heard by different panels and at different venues. This further assists in the achievement of the goals set out on the Annual Performance Plan.

To effectively and efficiently manage the case records and communications in respect of cases filed with the Tribunal

The upsurge in cases filed with the Tribunal has necessitated an improvement in the efficiencies relating to records management, as well as case management and communication with our filing parties. In order to address the continuous growth in the Tribunal's case load, the implementation of the electronic case management system was necessitated in order to manage case records effectively and efficiently to ensure that case records are uniquely identified, easily identifiable and easily retrievable.

This process was started off in the previous financial year through the digitization of the Tribunal's records and development of the foundational Case Management System. Enhancements to the CMS will, after this reporting period, further assist the Tribunal through electronic data ingestion offsetting the risk of inaccurate and incomplete records; technology enabled workflows; processes and channels to cost and time effectively manage cases, case records; generate reports as well as communications with filing parties.

Records have been safeguarded both electronically by digitisation and being backed up accordingly and physically by external storage facilities. The NCT continued with its digitisation process during 2015/16 and scanned 100% of assessed debt re-arrangement applications. The digitisation process is monitored closely to ensure that service delivery is not impacted negatively. These scanned records are easily retrievable via the CMS.

To provide research support to the Tribunal, Tribunal members and staff including effectively conducting research and managing the policy input process where required

In order to provide support to Tribunal members in advising on recent and relevant jurisprudence and legislation, a target of developing and issuing 22 research/briefing papers was set for the Tribunal as a whole and achieved in 2015/16. In fact, the Tribunal managed to issue 31 research/briefing papers, which considered both South African and foreign law, as applicable. The research conducted, if considered, contributes to knowledge sharing and towards ensuring that the NCT's decisions are substantively and procedurally correct.

The Registrar's Office attended to research requests directly from

Tribunal Members and briefing papers on different aspects of relevant legislation

Tribunal staff engaged with filing parties on an ongoing basis to unblock operational impediments to the management of cases and attended roadshows as and when requested to further create awareness of the role and processes of the Tribunal.

The office of the Registrar provides legal advisory services to the Tribunal in respect of its operations, industrial relations and service level agreements disputes with its service providers.

The Registrar's Office supports the Tribunal in managing external

legal service providers in instances where it is necessary to appoint lawyers to defend or represent the Tribunal in the High Court.

The Registrar's Office lastly support Tribunal operations in the management of service level agreements entered into by the Tribunal and provide support to other business units in instances of breach of contract and specific performance matters.

Case statistics

Since its inception, the NCT has experienced a continuous increase in the number, type and complexity of cases filed in terms of both the CPA and NCA. See fig. 2 and 3 below:

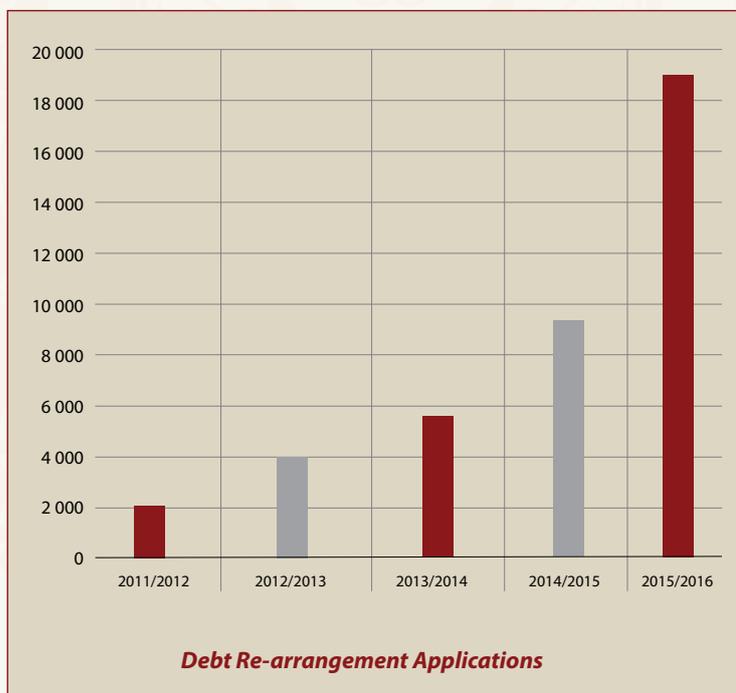


Fig. 2 Increase in applications: 2011/12 – 2015/16

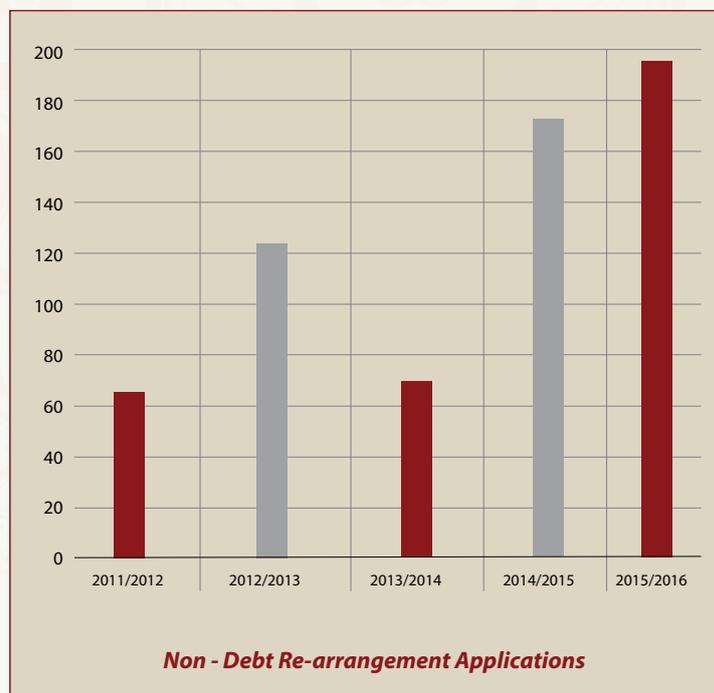
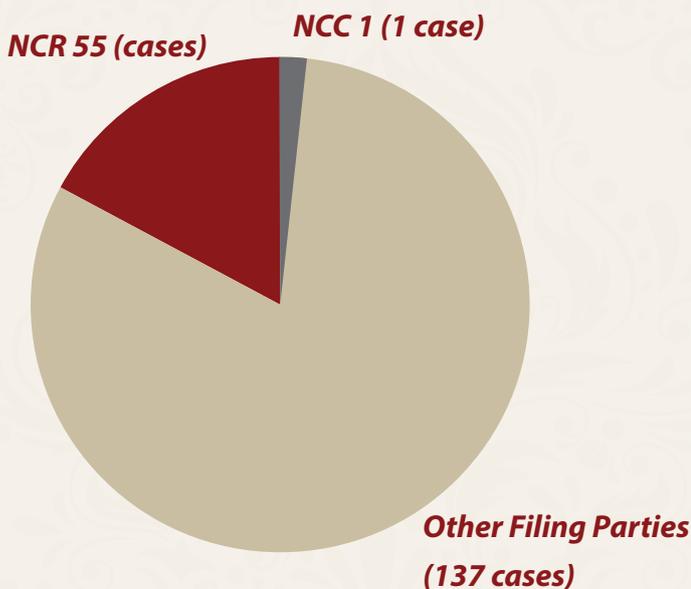


Fig. 3 Increase in applications: 2011/12 – 2015/16

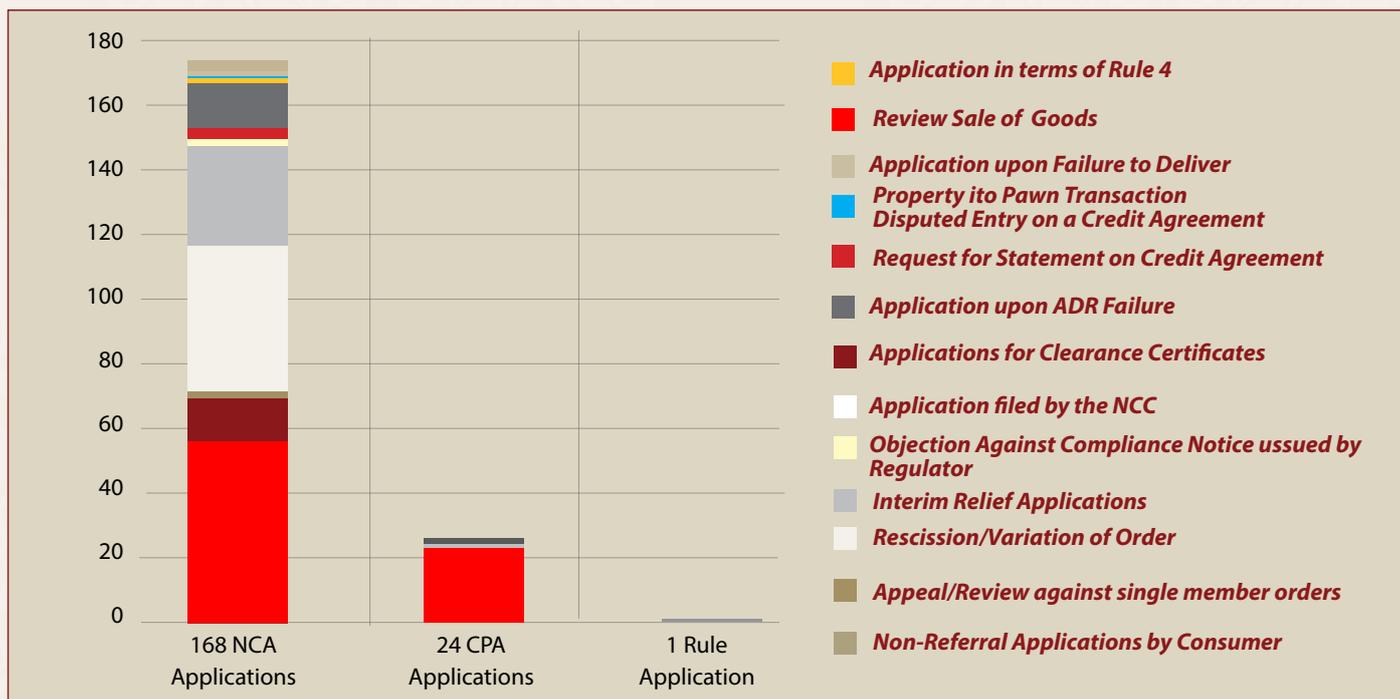
The following depicts the actual number of Debt Re-arrangement and Non Debt Re-Arrangement matters filed since 2011 to year ending 2016:

	Debt Re-arrangement Applications	Non-Debt Re-arrangement Applications
2011/2012	2143	62
2012/2013	4070	121
2013/2014	5315	71
2014/2015	9412	177
2015/2016	18901	196

During the reporting period, the NCT received 18,459 (19,097 with duplicates included) cases in total, a 92.50% increase on the 9 589 cases received during the 2014/15 financial year and a 242.72% increase on the 5 386 cases received during 2013/14. The type and complexity of applications filed in terms of both CPA and NCA also increased. Of the 18,459 cases received during 2015/16, 196 were Non-DRA cases of which 3 were duplicates. The majority of the Non-DRA cases were received from unrepresented filing parties as depicted below:



In addition, 168 of the 193 cases received, constituting 87% of the Non-DRA filings, were NCA matters and 24 (12,5%) of the cases received were filed in terms of the CPA. One matter (0,5%) was filed in terms of the Rules of the Tribunal.



The non-DRA applications filed during the year are set out in the Tables below:

Act Section		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
CPA								
70(3)(b)	Application for a consent order after dispute resolution by alternative dispute resolution agent	-	-	-	1	-	-	1
73(2)(b)	NCC referrals	-	-	-	-	2	1	3
75(1)(b)	Applications for leave to refer a non-referral directly	-	-	10	15	7	23	55
101 (1)	Objection to a compliance notice	-	34	20	2	-	-	56
74(1)	Application for consent order	-	-	-	2	-	-	2
100(6)	Applications for imposition of an administrative penalty following non-compliance with a compliance notice	-	-	20	-	-	-	20
114(1)	Interim relief	-	3	7	-	-	-	10
Rule 4-	Certification of Class Action	-	-	1	-	-	1	2
Total CPA applications		-	37	58	20	9	25	149
NCA								
165(1)	Rescission of variation of NCT order	-	3	9	11	53	43	119
137(3)	Application upon failure of alternative dispute resolution	-	1	-	-	35	12	48
140(1)	NCR referrals	-	-	4	2	15	38	59
56(1)	Objection to a compliance notice	3	2	-	1	4	1	11
57(1)	Cancellation of registration of registrant	6	6	36	23	25	15	111
115(1)	Disputed entry on a statement	1	-	-	3	5	1	10
128(1)	Review of a sale of goods	4	6	3	4	1	3	21
148(1)	Appeals and reviews	1	-	3	2	14	2	22
149(1)	Interim relief	3	3	1	-	3	29	39
59(1)	Review of a decision by the NCR	-	1	-	1	3	-	5
71(3)	Application by a consumer to review a decision not to issue or failure to issue a clearance certificate	-	-	-	-	1	5	6
141(1)	Applications for leave to refer a non-referral directly	2	2	5	1	6	12	28
138 read with 135(b) (ii)	Application for consent order after alternative dispute resolution.	-	-	-	-	1	2	3
55(6)	Failure to comply with a compliance notice	-	-	-	-	2	2	4
114(1)	Application by a consumer upon failure to produce a statement	-	-	-	2	-	2	4
164(3)	Application to the NCT for a certificate declaring conduct to be prohibited or required in terms of the Act	-	-	1	1	-	-	2
99(2)	Application by a consumer for compensation from a pawnbroker in lieu of property	-	-	1	-	-	1	2

Act Section		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
63(5)	Application to review a decision regarding the languages used in credit documentation	-	1	-	-	-	-	1
-	Interlocutory applications	4	-	-	-	-	-	4
Total NCA applications		24	25	63	51	168	168	499
Total applications filed		24	62	121	71	177	193	648

Out of the possible 35 different types of applications and referrals, which can be made to the Tribunal, only 25 were filed with the Tribunal to date. In addition, the Tribunal has only received a small portion of the approximate 175 different types of prohibited conduct, which can be referred to it. This means that the Tribunal has so far only seen the tip of the iceberg in relation to potential referrals to it. This fact is consistently taken into consideration when future strategic planning is attended to.

Adjudication

Introduction

The core function of the Tribunal is to adjudicate on matters referred to it in terms of the NCA and the CPA (as amended by the NCA) in terms of section 27 of the NCA as amended. Its mandate also includes reviewing decisions made by the NCR and NCC, hearing interim relief applications and hearing appeals from single member judgements of the NCT. In addition, the review of compliance notices and applications for the cancellation of registrants, referrals regarding

prohibited conduct by registrants and service providers can also be filed with the NCT.

The Tribunal members are responsible for the adjudication of cases brought before the Tribunal and are subject to the NCT performance management system and operate in terms of formal performance agreements. The Tribunal's Core Values, Code of Ethics and Conflict of Interest Policy guide them.

The Tribunal can make certain orders in terms of section 150 of the NCA in respect of matters it adjudicated on.

These orders are declarations of and interdicts against prohibits conduct, imposing administrative fines and confirming concerns agreements in terms of the NCA and CPA. The tribunal can further confirm an order against an un-registered person to cease engaging in prohibited conduct, condone non-compliance with its rules, requires refunds to consumers as well as make any appropriate order to give effect to a right in terms of NCA or the CPA.

Tribunal members

The President of the Republic of South Africa appoints the Tribunal members to fulfil the Tribunal's adjudicative function. The Tribunal has 13 members, consisting of three full-time members, being the Tribunal Chairperson, two other members and 10 part-time members.

With the exception of four Tribunal members, all the members have been with the Tribunal since inception. As a result they have built up a wealth of knowledge and experience in consumer protection and credit regulation matters.

These members' second terms, including that of the Tribunal Chairperson, will end in November 2016 after having served the Tribunal with distinction and commitment.

A review of the CVs of the Tribunal members (see Annexure A on page 129 of this Report) illustrates the Tribunal members' diversity, extent and depth of qualifications, experience and skills, evidencing

their contribution to the NCT's success in being upheld when taken on appeal to the High Courts.



Tribunal Committee

Front: Ms Diane Terblanche, Prof Bonke Dumisa

Middle: Ms Yasmin Carrim, Ms Neo Sephoti, Adv Frans Manamela, Ms Laura Best, Ms Penelope Beck

Back: Ms Hazel Devraj, Prof Tanya Woker, Mr Fungai Sibanda, Mr Xolela May, Adv John Simpson, Prof Joseph Maseko

Tribunal members (continued)

Ms Diane Terblanche – Executive Chairperson (Full-time Member)	Dr Bonke Dumisa – Deputy Chairperson (Part-time Member)
Ms Laura Best - Part-time Member	Ms Penelope Beck - Part-time Member
Prof Joseph Maseko - Part-time Member	Ms Xolele May - Part-time Member
Adv. Frans Manamela - Part-time Member	Ms Yasmin Carrim - Part-time Member
Adv. Neo Sephoti - Part-time Member	Mr Fungai Sibanda - Part-time Member
Prof. Tanya Woker - Part-time Member	Ms Hazel Devraj – Full-time Member
Adv. J Simpson – Full-time Member	

The Adjudication Statistics

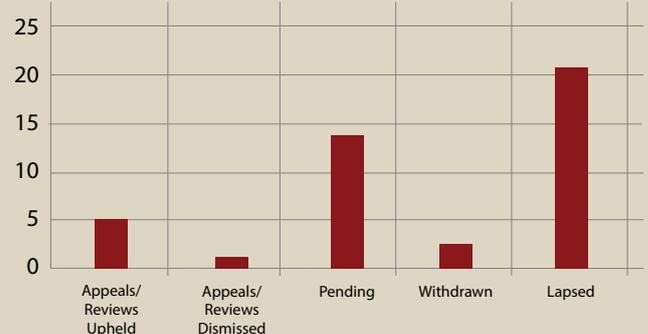
The adjudication statistics are set out in the table below.

Adjudication Statistics	
Total Non-DRA's finalised	132
Judgments issued	44
Withdrawn	20
Lapsed	64
Confirming Settlement	2
Condonation refused	2
Total DRA's finalised	10826
Appeals/Reviews filed 2015/16	
Internal	44
Appeals/Reviews Upheld	5
Appeals/Reviews Dismissed	1
Pending	14
Withdrawn	3
Lapsed	21
External (from inception) to 31 March 2016	11
Appeals/Reviews Upheld	1
Appeals/Reviews Dismissed	5
Pending	3
Settled	1
Withdrawn	1

APPEALS / REVIEWS

There are two types of Appeals / Reviews. Firstly, an internal appeal / review is where the decision of a single Tribunal member is taken on appeal or review and the application is considered by a three-member Tribunal panel. This panel will then either uphold the decision or uphold the appeal or review. Secondly, an external appeal or review is against the decision of a three-member Tribunal panel. This appeal or review is heard by the High Court and the High Court judge(s) will then either uphold the Tribunal decision or uphold the appeal or review.

Internal Appeals



DRA decisions taken on appeal or review during 2015/16 (Internal appeal/review)

In total, 44 DRA decisions were taken on internal appeal or review for matters filed in 2015/16. Of these, 5 were upheld.

During the reporting period the Tribunal received 44 rescission/variation applications. Of these, 1 was a duplicate filing and the Tribunal could not take a further 24 matters forward, as these matters either lapsed due to filing parties not filing the relevant documents required for these applications or the parties withdrawing the

matters prior to adjudication. In relation to the 19 matters which the Tribunal could take forward, 6 were heard and judgments issued, 10 were set down for hearing in the next financial year and 3 was still incomplete at year-end, awaiting the filing of additional documents. Five variation applications were upheld due to an error made on the application by the Debt Counsellor. One matter was refused, as it was based on new facts that arose after the date of the application, thereby falling outside of the ambit of section 165.

NON-DRA DECISIONS TAKEN ON APPEAL OR REVIEW FROM INCEPTION (EXTERNAL APPEAL/REVIEW)

No.	NCT case no.	High Court case no.	High Court decision	Date of judgment
1	Southern African Fraud Prevention Service Ltd v NCR NCT168/2009/54(1)	National Credit Regulator v Southern African Fraud Prevention Service Ltd 58190/2010 (North Gauteng High Court)	Appeal against - NCT decision overturned	May 2011
2	NCR v Christopher Bornman and others NCT/656/2010/57(1)(P)	Christopher Bornman and others v NCR A6/2011 (North Gauteng High Court) Christopher Bornman and others v NCR 798/2012 (Supreme Court of Appeal)	Appeal Dismissed (HC) Appeal Dismissed (SCA)	March 2012 March 2013
3	NCR v Petrus Martinus Ferreira NCT/166/2008/57(1)(P)	PM Ferreira v NCR 51467/2010 (North Gauteng High Court)	Appeal Dismissed	December 2011
4	Barko Financial Services (Pty) Ltd v NCR NCT/743/2010/56(1)(P)	Barko Financial Services (Pty) Ltd v NCR A499/2011 (North Gauteng High Court) Barko Financial Services (Pty) Ltd v NCR 415/2013 (Supreme Court of Appeal)		
5	Telegenix Trading 340 CC v NCC and Silas Phadagi NCT/8697/2013/101(1)	Telegenix Trading 340 CC v NCT, NCC and Phadagi 726/2014 (North Gauteng High Court)	The Court set aside the NCC's letter/decision of 8 April 2013. The NCT's decision upheld	April 2014
6	De Klerk v NCR NCT/6210/2012/57(1)	De Klerk v NCT, NCR et al 33329/2013 (North Gauteng High Court)	The parties reached a settlement agreement which was made an order of the High Court	June 2013
7	JW van Zyl v NCR NCT/3868/2012/57(1)	JW van Zyl v NCR AR620/13 (KwaZulu-Natal High Court)	Matter set down for hearing on 1 September 2014. Appellant filed notice of withdrawal on date of hearing	Appellant filed Notice of Withdrawal
8	MC Bouah Enterprises v Dynacon Global Trading NCT/7936/2013/75(1)	MC Bouah Enterprises v Dynacon Global Trading, NCT 35836/2014 (North Gauteng High Court)	Matter set down for hearing on 7 July 2014, but postponed sine die	Pending
9	P Byleveld v Execor Twelve (Pty) Ltd t/a Motor City & The NCC NCT/10686/2013/75(1)	Execor Twelve t/a Motor City v P Byleveld A446/14 (North Gauteng High Court)	Appeal to be set down for or hearing	Pending

No.	NCT case no.	High Court case no.	High Court decision	Date of judgment
10	NCR v Capitec Bank Limited NCT/9152/2013/140(1)	NCR v Capitec Bank Limited & The NCT A440/14 (North Gauteng High Court)	Matter set down for 24 February 2016 Passed outcome	The appeal was dismissed, costs to be tendered by the Applicant
11	NCC v Univision Services NPC & 11 others	Univision NPC & Others v NCC & NCT. 97574/2015 (North Gauteng High Court)	Matter set down for hearing on 22 August 2016	Pending

In the above instances, where the appeal or review to the High Court were finalised, the Court consistently found that the Tribunal correctly interpreted its mandate in either making findings of prohibited conduct or dismissing applications due to procedural irregularities. The Court further found that the Tribunal made orders within its powers. As a result of these Tribunal decisions as upheld by the Court, consumers obtained redress by the return of monies either overcharged or illegally charged in the first place. In relation to the one appeal that was upheld, this matter, which was adjudicated on at the onset of the Tribunal's adjudicative mandate, related to the definition of credit bureaux. The Court found that the Respondent before the Tribunal was in fact a credit bureaux and that the Tribunal erred in finding that it is not and therefore was under no obligation to register with the NCR as a registrant.

ADMINISTRATIVE FINES ISSUED

Administrative fines may be imposed by the Tribunal in matters whereby the Respondent engages in activities that are prohibited such as charging interest rates and collection commission in excess of the rates prescribed by the Act, not conducting affordability assessments, charging a monthly fee over and above the interest charged, engaging in reckless credit, failure to provide quotations and pre-agreements and the unlawful retention of identity documents.

The following table depicts the matters where the Tribunal imposed Administrative Fines on the Respondent during 2015/2016

Case Number	Case Name	Amount
1.NCT/22132/2015/57(1)	NCR v Mayibuye Cash Loans	R 500 000.00
2.NCT/18888/2014/57(1)	NCR v Mega Financial Services	R 500 000.00
3.NCT/16158/2014/141(1)	NCR v Kutuma Financial Services	R 25 000.00
4.NCT/21924/2015/57(1)	NCR v Cash in a Flash	R 100 000.00
5.NCT/18889/2014/57(1)	NCR v Zunguza Financial Services	R 500 000.00
6.NCT/19294/2014/140/(1)	NCR v Akudle Kutshiyele	R 1 000 000.00
7.NCT/16157/2014/140(1)	NCR v Marang Financial Services	R 450 000.00
8.NCT/18013/2014/140(1)	NCR v Cash Converters	R 400 000.00
	Total	R 3 475 000

Above table depicts the matters where the Tribunal imposed Administrative Fines during 2015/2016

²NCR v Christopher Bornman and others NCT/656/2010/57(1)(P) – Failure to perform debt counselling duties in accordance with the NCA, charging illegal fees, over and above debt counselling fees;

NCR v Petrus Martinus Ferreira NCT/166/2008/57(1)(P) – Failure to perform debt counselling duties in accordance with NCA, not acting in best interest of consumers and charging illegal fees;

Barko Financial Services (Pty) Ltd v NCR NCT/743/2010/56(1)(P) – Charging a prohibited fee on a credit agreement;

³NCR v Capitec Bank Limited NCT/9152/2013/140(1) – Finding that the NCR did not have a reasonable suspicion prior to launching investigation into conduct of Respondent, thereby dismissing application.

⁴Declarations of prohibited conduct, refunding fees charged over and above debt counseling fee, refunding to consumers fees charged on credit agreements over and above the R50 allowed in terms of the NCA;



The Tribunal apart from imposing fines and deregistering offenders of the National Credit Act also impose obligations on Respondent to refund consumers if necessary. By deregistering these entities they are no longer allowed to operate and infringe on the rights of consumers.

The Tribunal in terms of its' mandate adjudicates on matters brought to it in terms of s75(1)(b) of the Consumer Protection Act and s141(1) of the National Credit Act. These matters are referred to as non-referrals due to the applications not being brought forward by the Regulators and being brought to the Tribunal by the Consumer individually. The Tribunal has dismissed these matters and no rulings in favour of these consumers have been made in 2015/2016.

Some examples of notable judgments of the Tribunal are depicted below.

Notable judgments

Use of prohibited terminology in advertisements

THE NATIONAL CREDIT REGULATOR V CITY FINANCE NCT/22130/2015/55(6)

This was an application in terms of Section 55(6) of the NCA, to enforce compliance with a notice issued in terms of Section 55(1). This resulted from the Respondent's alleged failure to comply with the Compliance Notice in contravention of Section 76(4) read with Regulation 21(6)(b) of the Act in that the Respondent used prohibited terminology (offering credit to consumers who have been blacklisted) in its advertising that appeared on its website and continued to do so. The Applicant served the notice of the application on the Respondent and the Respondent did not file

an answering affidavit. The Tribunal ordered that the Respondent's conduct, as described in the compliance notice, be prohibited in terms of the Act and interdicted the Respondent from continuing with the said conduct.

Order in relation to reckless credit

CLIVE MOONSAMY V STANDARD BANK OF SA NCT/22108/2015/137(3)

This application was filed in terms of Section 137(3) read with section 134(4) of the NCA. In terms of Section 137(3) of the NCA, read with section 134(4) of the NCA, a consumer or credit provider who has unsuccessfully attempted to resolve a dispute directly with the other party and through alternative dispute resolution in terms of section 134(4) may file an application within 20 business days after the failure of the attempted alternative dispute resolution. In the matter at hand, the Applicant sought an order from the Tribunal to confirm that the Respondent failed to comply with its obligations in terms of Section 80(1)(a) and 81(2) of the Act and to confirm that the Respondent had engaged in prohibited conduct. The Applicant further sought confirmation that the credit agreement concluded between the Applicant and the Respondent constituted "reckless credit" as defined in the Act. Upon consideration, the Tribunal declined the order based on lack of evidence that the Applicant had attempted to resolve the dispute between himself and the Respondent directly as required in terms of Section 134(4)(a) nor had he referred his dispute for resolution through alternative dispute resolution to an ombud with jurisdiction i.e. in this instance, the OBSSA as required in terms of Section 134(4)(b)(i) of the Act.

Deregistration of a credit provider

NATIONAL CREDIT REGULATOR v MAYIBUYE CASH LOANS CC NCT/22132/2015/57(1)

The Applicant filed an application in terms of section 57(1)(a), (b) and (c) of the NCA requesting an order to cancel the Respondent's registration as a credit provider as well as an order declaring that the Respondent is in repeated contravention of the Act. The Applicant submitted that its investigation revealed that the Respondent had breached the Act in various respects for example charging interest rates and collection commission in excess of the rates prescribed by the Act. Upon consideration of all factors, the Tribunal determined that the Respondent had indeed failed to comply with its conditions of registration and engaged in prohibited conduct by repeatedly contravening the provisions of the Act. The Tribunal ordered that the Respondent's registration as a credit provider be cancelled forthwith. The Respondent was thus ordered to stop operations, desist from future breaches of the Act and appoint an independent auditor to determine and compile a list of consumers who were charged interest rates and collection commission in excess of the rates prescribed by the Act in order to refund all affected consumers. The Respondent was further ordered to provide a written report to

the Applicant detailing the identity of the consumers to whom any refunds have been made. In addition, the Applicant was ordered to pay an administrative fine in the amount of R500,000.00 in terms of section 151 of the Act.

Contractual dispute for damages

SIMON SIMELANE v PRETORIA FRANCHISE SUPPORT SERVICES (PTY) LTD t/a FASTWAY COURIERS NCT/8742/2013/75(1)(b)

This application was filed in terms of sections 75(1)(b) and 75(2) of the Consumer Protection Act 68 of 2008 for leave to apply directly to the Tribunal on the premise that the National Consumer Commission (hereinafter referred to as the "NCC") issued a notice of non-referral in response to a complaint by the Applicant. The Applicant further applied for an order directing that the Respondent refunds the Applicant an amount of R110 000-00 plus 15,5% interest. The Applicant as Courier Franchisee, and the Respondent as Regional Franchisee, entered into a 'Courier Franchise Agreement' on 14 June 2011, in terms of which the Applicant bought a franchise from the Respondent with a commencement date of 20 June 2011 as stipulated in clause 1 of the agreement. The Applicant served the Respondent with the application, which was deemed completed on 11 July 2013 and, in terms of the provisions of Rule 13 of the Tribunal Rules, the Respondent was supposed to file its response by 1 August 2013, but failed to do so. The Applicant therefore filed an application for default judgment in terms of Rule 25(2) with the Tribunal. The Tribunal found that it could not pronounce on a franchise agreement to be in contravention of Section 48(2) of the Act, and that there was further no causal nexus between the cause of the Applicant's damages and the alleged prohibited conduct of the Respondent. The Tribunal found that, in terms of legislation, this matter was a contractual dispute and fell within the jurisdiction of the courts. The order was thus not granted.

Deregistration of a credit provider

NCR v MEGA FINANCIAL SERVICES NCT/18888/2014/57(1)

Although the Applicant filed an application for de-registration of the Respondent as a credit provider, it was stated at the commencement of the hearing, that while the Respondent was still registered with the Applicant at the time of the preparation of the application, the Respondent's registration had lapsed in the interim. The Respondent did not oppose the application. The Tribunal found that the Respondent had acted in contravention of numerous sections of the NCA and declared the conduct as prohibited conduct in terms of the Act. No evidence was found to show that the Respondent, as required

by the Act: took reasonable steps to assess the financial means, prospects and obligations of the consumers; obtained information or any proof relating to the debt repayment history of consumers; conducted any credit bureau checks in order to attempt to determine the debt repayment history of the consumers; requested consumers to list their expenses, the Applicant submitted that the Respondent was therefore not in a position to make a proper estimate as to the expenditure of the consumers, as a result, the Respondent was ordered to pay an administrative fine of R500,000.00.



Application for urgent relief

INGEGRYN 40 CC t/a RECONSTRATE v ABSA BANK LIMITED NCT/16162/2014/149(1)

The Application was lodged in terms of Section 149(1) of the NCA. The aim of the application was for the Tribunal to consider issuing an interim order for urgent relief pending the hearing of the principal matter. The urgent interim relief sought from the Tribunal was for the freezing of a home loan account and all associated insurance related transactions. The Applicant averred that in the event that its application is not granted, serious irreparable damage might result in that the immovable property of the Applicant would otherwise be repossessed. During the hearing, it came to light that there were legal proceedings against the Applicant in the High Court and that the issue of the re-possession of the property had already been brought to finality at the High Court. The Tribunal ordered that the

matter had already been decided by the High Court and that there was no basis for urgent interim relief in terms of Section 149(1). The application for interim relief was accordingly refused.

Deregistration of debt-counsellor

NCR v LUKE HIRST NCT/22133/2015/57(1)

The Application was filed in terms of Section 57(1)(a), (b) and (c) of the NCA, wherein the Applicant sought an order for the registration of the Respondent as a debt counsellor to be cancelled. The Applicant further sought that the Respondent be declared to be in repeated contravention of his conditions of registration and his conduct to be declared as prohibited in terms of the Act. The Respondent had allegedly charged legal fees although no legal services were rendered and failed to maintain proper records. During the hearing of the matter, the members of the panel were faced with a situation where the Respondent had provided direct and material evidence which contradicted the assertions made by the Applicant, proper records were kept by the Respondent and any excess fees were refunded. In accordance with Section 167 of the Act, the standard of proof applied by the Tribunal is on a balance of probabilities. When applying the standard to the evidence at hand, the Tribunal found that the Applicant was unable to prove that the Respondent in fact contravened the Act as alleged. The application was dismissed.

Debt re-arrangement order variation

T WIESIE & A WIESIE v WESBANK AND 3 OTHERS NCT/21781/2015/165(1)

The Applicant brought an application in terms of Section 165(1) of the NCA to the Tribunal to vary the debt re-arrangement agreement order, which was granted by the Tribunal on 27 January 2015. The

Applicant submitted at the hearing that the order omitted to include any reference to the terms of the debt re-arrangement with the 2nd Respondent, being First National Bank. Section 165(b) of the Act allows the Tribunal, acting of its own accord or on application by a person affected by a decision or order, to vary or rescind its decision or order where there is an obvious error or omission but only to the extent of correcting the ambiguity, error or omission. The omission in this instance could be rectified by issuing an amended order confirming the debt re-arrangement as an order of the Tribunal. The application to vary the order dated 27 January 2015 was granted.

Application for conduct to be declared prohibited

NCR v Y ABERDOF & S ABERDOF NCT/17833/2014/140(1)

After completing an investigation into the Respondent's conduct, the Applicant filed an application in terms of Section 140(1)(b) and Section 140(2)(b) of the NCA with the Tribunal. The Applicant sought an order declaring the conduct of the Respondents to be prohibited as well as the imposition of an administrative fine and any appropriate order required to give effect to the consumer's rights in terms of the Act. Consumers who had undertaken Debt Review applications with the Respondents lodged complaints with the National Credit Regulator. Consumers complained in particular about the fact that the First Respondent had received funds from them for distribution to their credit providers but the money never reached the credit providers. Upon consideration of the matter, the Tribunal found the First Respondent to be in repeated contravention of numerous sections of the NCA and made a finding of prohibited conduct. The First Respondent was ordered to refund all its clients with all the amounts paid by them in order to pay credit providers within 90 days of the order and to report to the Regulator within 120 days of the order providing details of the amount of the repayments and recipients thereof.



Debt re-arrangement order variation

BOTHA v NEDBANK & OTHERS NCT/26844/2015/165

The Applicant lodged an application in terms of Section 165 of the NCA, wherein the Applicant sought a variation order on the debt rearrangement order granted in terms of Section 138 of the Act. This was due to the fact that the consumer received a lower instalment and interest rate acceptance from Standard Bank, subsequent to the order being granted. The Tribunal did not grant the application for variation on the grounds that there was no ambiguity, obvious error, or omission when the order was granted on 28 January 2014.

Variation of single member order

NEDBANK LIMITED v MEGGY ANNA RAFUTHO & 5 OTHERS NCT/21963/2015/165

The Applicant lodged an application with the Tribunal in terms of Section 165 of the NCA for the varying of the order granted by a single member of the Tribunal in accordance with Section 138(1) of the NCA. The Tribunal noted that the application by the Applicant was to simply have the Nedbank account removed from the order. In this regard the Applicant submitted a letter, ostensibly signed by the consumer, stating that she no longer wished to be under debt review. When the consumer first applied for debt counselling and during negotiations with the Applicant, the Applicant agreed that the consumer would be allowed to pay an amount of R1 500 per month at an interest rate of 15.5% for a period of 79 months. This was a concessionary period only. After the period of 79 months, the consumer would be required to pay her bond instalments as per her original bond agreement. Although the NCA does not make any provision for a voluntary withdrawal from debt review where a Tribunal order has been made, the letter indicated that merely varying the order under these circumstances would not serve any practical purpose. Taking into consideration the facts of this particular matter, the Tribunal was of the view that the order was originally erroneously sought by the debt counsellor because the consumer's debt will not be satisfied within the stipulated period and the consumer would be left with a substantial debt still outstanding. Under the circumstances the Tribunal ordered that the entire order granted by the Tribunal on 12 March 2012 be rescinded.

Deregistration of debt-counsellor

NCR v CELESTE SULLIVAN NCT/22678/2015/57(1)

The Applicant lodged an application in terms of Section 57(1)(a), (b)

and (c) in which the Applicant sought to cancel the registration of the Respondent as a debt counsellor. The Applicant allegedly received numerous complaints against the Respondent from consumers. The complaints include, amongst others, allegations that the Respondent misled them into being placed under debt review against their will. The Tribunal concluded that the conduct of the Respondent was in repeated contravention of the Act and ordered that the registration of the Respondent as a debt counsellor be cancelled.

Leave to refer directly to the NCT – Tribunal jurisdiction

BREYTENBACH GLASS v DEN BRAVEN NCT/21238/2015/75(1)(b)

An application was lodged in terms of Section 75(1)(b) of the CPA, wherein the Applicant sought an order for leave to refer the matter directly to the Tribunal. The Applicant further applied for an order that the conduct of the Respondent be declared as prohibited conduct and that the Respondent be held liable for harm caused by the product failure alternatively for the defect in the goods and declared liable for the inadequate instructions or warnings provided to the Applicant pertaining to any hazard arising from or associated with the use of the goods supplied by the Respondent to the Applicant. The Applicant ordered special glue from the Respondent for the bonding of glass. The Respondent allegedly misinformed the Applicant as to the specifications of the product. The Tribunal found that the Applicant is not a consumer as defined in the Act as its annual turnover was higher than the threshold stipulated in the Act. The Tribunal did not have jurisdiction to hear the Application nor could it grant the Applicant leave to refer the complaint to the Tribunal. Application for leave to refer a complaint directly to the Tribunal was accordingly refused.

Condonation of late filing of application

R34 – SARAH MAVIS GATYENI v FNB NCT/26057/2015/141(1)

The Applicant lodged an application in terms of Rule 34 of the Rules of the Tribunal for the condoning of late filing of the Application lodged with the Tribunal in terms of section 141(1)(b) of the NCA. The Application was filed after 20 business days of the date on which the Notice of Non-Referral was issued by the National Credit Regulator (NCR). In the main matter, the Applicant lodged a complaint against First National Bank. The complaint against the Respondent was based, amongst others, on the Respondent's conduct of placing the Applicant's bond account under the deceased estate while the Applicant was still alive. The Applicant alleges that the Respondent's conduct of unilaterally changing the details of the bond account of the Applicant, be declared prohibited conduct. The Application was duly served by hand on 24 June 2015 by the Applicant on Tribunal.

The Tribunal found that the Applicant did not have prospects of success should the Tribunal have granted the application. The Applicant approached many forums on the same merits and it was apparent that there is no cause of action to warrant the hearing of the matter. The Application was accordingly dismissed.

Issuance of notice of non-referral by the NCR

KHOZA v NEDBANK LTD NCT/23245/2015/141(1)(B)

The Applicant filed an application in terms of Section 141(1) of the NCA following the issuing of a notice of non-referral by the NCR, in respect of a complaint lodged by the Applicant against the Respondent. The Applicant's main complaint against the Respondent is that it failed to explain entries on the transaction statements and the month-to-month statements and therefore did not comply with Section 111 of the Act. The Respondent submitted that entries appear on the Applicant's statement of account in accordance with normal accounting practice. In the period related to the complaint, the Respondent switched to a new accounting system and due to accounting practice regulations the accounts in the Respondent's old records were settled in full with a book entry and new accounts created with the exact same balance recorded as on the old accounting system. It is for this reason that in May 2013 the Applicant's statement showed a nil balance but the actual balance was still R147,213.70, excluding finance charges. On evidence before the Tribunal the Applicant failed to produce any evidence of prejudice suffered by her as a result of the Respondent's conduct. It should be noted that the record reflected that the Applicant defaulted on her credit agreement with the Respondent on 31 January 2011, at which time the unpaid balance on the Applicant's credit agreement amounted to R165,602.30 This amount excluded finance charges. The Applicant did not dispute the amount in arrears at the hearing or that the vehicle was still in her possession. The Tribunal found that there were no prospects of success in the matter and referral to the Tribunal was denied.

Deregistration of debt-counsellor

NCR v VANESSA HEWITT NCT/7939/2013/149(1)

An application was lodged in terms of Section 57 of the Act for an order to cancel the Respondent's registration as a Debt Counsellor as well as certain other ancillary relief. The Applicant requested the Tribunal to declare the Respondent's conduct as prohibited in relation to non-compliance of sections of the Act, Regulations and conditions of registration. The Tribunal found that while the Respondent's registration lapsed in 2010, the Respondent still continued to perform the functions of a Debt Counsellor. The evidence before the Tribunal was that the Respondent failed to meet these requirements. The Tribunal, on a balance of probabilities,

concluded that the Respondent engaged in prohibited conduct. The Respondent was ordered to refund the consumer with the amount of R8,000.00.

Referral of prohibited conduct by NCR

NCR v KUTUMA FINANCIAL SERVICES NCT/16158/2014/141(1)

The Applicant lodged an application in terms of Section 140 (1) (b) of the Act for an order declaring the Respondent to be in repeated contraventions of specific sections of the Act, engaging in prohibited conduct and for payment of an administrative fine. An investigation of all the relevant consumer files clearly indicated that the Respondent engaged in prohibited conduct. The investigation revealed the following: No evidence was found of affordability assessments being conducted prior to the granting of consumer loans; no pre-agreement statements or quotations were found during the course of the investigation; no small agreements were drafted by the Respondent; the prescribed forms that records small credit agreements were not found at the business premises of the Respondent and the loan application forms of the Respondent did not comply with the requirement of recording a small credit agreements; The Respondent was found to be in possession of identity documents, social security cards, bank cards and pin numbers of consumers; the Respondent charged interest at a rate of 30% per month on credit agreements which percentage exceeds the maximum permissible amount of interest to be charged in terms of the Act. The investigation further revealed that the loans granted by the Respondent were in the range of R500,00 per month. The Tribunal found that the Respondent engaged in prohibited conduct and ordered it to pay an administrative fine in the amount of R25,000.00.

Referral of prohibited conduct by NCR

NCR v FORUM SA TRADING NCT/8618/2013/57(1)

The Applicant alleged that the Respondent repeatedly contravened the Act, by charging rates of interest in excess of the maximum limits provided for in the Act. Furthermore the affordability assessment conducted by the Respondent was not satisfactory and would render the agreement a reckless credit agreement and is therefore contrary to the provisions of Section 81 of the Act. The Respondent's conduct was declared as prohibited conduct. The Respondent was ordered to refund all of its past and existing consumers with all the amounts paid to it in contravention of the Act. The Respondent was further ordered to appoint an auditor, at its own cost, to determine the amount owing to each consumer affected by the Respondent's breaches of the Act. Regarding the question of an administrative penalty, the Tribunal heard evidence from the Applicant that the Respondent was in the process of being liquidated in terms of the

company laws of the Republic. Based on the Respondent's pending liquidation the Tribunal decided not to impose an administrative penalty on the Respondent

Appeal on single member order

FAIZAN PROPERTIES (PTY) LTD v TRUE HARVEST COLLEGE (PTY) LTD NCT/20519/2014/148(1)

The Applicant brought an application in terms of Section 148(1) of the Act to the Tribunal, to appeal a decision of a single member of the Tribunal dated 30 September 2014. Prior to this application for appeal, the Respondent in this appeal, had referred a complaint to the National Consumer Commission (NCC) and received a non-referral notice in terms of section 72(1)(i) of the CPA. In the decision appealed against, the Respondent had approached the Tribunal for leave to refer the complaint; refused by the NCC; directly to the Tribunal in terms of section 75(5)(b) of the CPA. The single Tribunal Member considered that application and granted the leave to refer



the matter to the Tribunal. The Appellant opposed the application for leave to refer the matter to the Tribunal in that the Respondent being a juristic person does not qualify as a consumer as defined in section 5(2)(b) of the CPA and on the basis that a Single Member deprived the Appellant of its right to be heard because the Single Member decided the prospects of success on the merits of the matter as unilaterally advanced by the Respondent without affording the Appellant the opportunity to advance evidence on the merits in rebuttal. Therefore the Appellant argued that these issues stand uncontested. It was found that this matter concerns an application for referral only. The purpose of requiring parties to seek leave to refer can only be to ensure that frivolous or vexatious matters or matters which clearly fall outside the ambit of the CPA are not referred by consumers who have no understanding of the legislation. If consumers who received notices of non-referral could simply refer matters to the Tribunal without first seeking leave from the Tribunal, it is highly likely that the Tribunal would receive many matters which should clearly not be before it and this would seriously hinder the effective workings of the Tribunal and waste scarce resources. Furthermore, the legislature has included small business as a consumer under the legislation. The Applicant in the main matter had argued that she was authorised to act on behalf of her business (in fact it seems that like many small business people, the Applicant did not make a distinction between herself and the business) and she had presented evidence which suggested that the annual turnover is less than the R2 million threshold set by the Regulations to the CPA. The Applicant did not provide sufficient grounds to succeed with the appeal and the Tribunal subsequently dismissed the appeal.

Deregistration of credit provider

NCR v CASH IN A FLASH NCT/21924/2015/57(1)

This application was lodged in terms of Section 57(1) of the Act. The Applicant sought an order for the cancellation of the Registrant's registration on the grounds that the Respondent repeatedly contravened the act and its conditions of registration in that the Respondent did not conduct proper affordability assessments, engaged in the granting of reckless credit and induced consumers into entering into supplementary agreements where a fee in excess of the prescribed R50 was charged in terms of Section 91(a) of the Act. The Applicant further requested the Tribunal to declare the Respondent's conduct prohibited. The Tribunal found the Respondent to be in repeated contraventions of the Act and cancelled its registration as a credit provider with immediate effect. An administrative fine of R100,000.00 was imposed.

Order on repeated prohibited conduct

NCR v ZUNGUZA FINANCIAL SERVICES (PTY) LTD NCT/18889/2014/57(1)

The Applicant lodged an application in terms of Section 57(1)(a), (b) and (c) of the Act for an order cancelling the registration of the Respondent due to repeatedly contravening sections of the Act. The Applicant alleged that the Respondent failed to conduct affordability assessments and over charged consumers on interest. The Tribunal found that in light of the evidence presented by the Applicant, the Respondent did act in repeated contravention of the Act and imposed an administrative fine in the amount of R500,000.00. The Tribunal ordered the cancellation of the registration of the Respondent and further ordered that all relevant consumers must be refunded with the amounts they were overcharged with. In addition, the Tribunal ordered that the Respondent must be provided the Applicant with a final report in this regard.

Order on repeated prohibited conduct

NCR v AKUDLE KUTSHIYELE NCT/19294/2014/140(1)

The Applicant lodged an application in terms of Section 140(1)(b) of the Act for an order declaring that the Respondent was in repeated contravention of sections of the Act, engaged in prohibited conduct and for an administrative fine to be imposed on the Respondent. The Respondent had entered into credit agreements after its registration as a credit provider has already lapsed due to non-payment of its annual fees, the Respondent did not conduct affordability assessments and recklessly entered into credit agreements. Furthermore, the Respondent did not provide consumers with pre-agreement statements or quotations. Based on the evidence put before the Tribunal by the Applicant, the Tribunal ordered that the Respondent's conduct be declared as prohibited conduct in terms of the Act. The Respondent was declared to be in repeated contravention of its general conditions of registration. The Tribunal further ordered the Respondent to pay an administrative fine in the sum of R1,000,000.00.

Objection against Compliance Notice

MONEYLINE FINANCIAL SERVICES (PTY) LTD v NCR NCT/18874/2014/56(1)

The Applicant brought an application before the Tribunal in terms of section 56(1) of the Act, objecting to the issuing of a Compliance Notice against it by the Respondent. The Applicant approached the Tribunal for an order to have the Respondent's Compliance Notice set

aside or cancelled. The Applicant's case rested on two pillars. Firstly, that the Compliance Notice was defective, and secondly, that the Compliance Certificate, issued purportedly to certify the Applicant was compliant with the NCA, was of no force and effect. Both pillars were founded on Applicant's proposition that it never contravened the NCA. The Tribunal was satisfied that the parties had reached consensus following the KPMG's report furnished on 11 December 2014, exonerating the Applicant and two others. The Applicant had shown the Respondent, as directed by the latter in its findings, that no such conduct as was complained of, ever existed. The issuing of the Compliance Certificates was also inappropriate and not in accordance with the provisions of section 55 of the Act. It was an improper exercise of administrative power by the Respondent to have proceeded to do so. The correct route to follow would have been to approach the Tribunal for an order cancelling or setting aside the Compliance Notice. The effect of an order of the Tribunal in cancelling the Compliance Notice, rendered the Compliance Certificate materially non-existent. The Compliance Notice was set aside.

Order against prohibited conduct

NCR v MARANG FINANCIAL SERVICES NCT/16157/2014/140(1)

The Applicant sought an order in terms of Section 140 of the NCA, declaring the conduct of the Respondent unlawful and prohibited in terms of the Act. The Applicant further sought an order ordering the Respondent to refund all consumers who were charged interest and fees that exceeded the maximum allowable amounts prescribed by the Act. The Tribunal considered all the relevant submissions substantiating the Applicant's prayers in terms of section 140 of the Act. The Respondent did not oppose the allegations leveled against it and did not attend the hearing, nor sent a representative. The Applicant's version of the alleged contraventions by the Respondent remained unchallenged. The Respondent was found to have engaged in prohibited conduct by contravening the stipulated provisions of the Act, more specifically overcharging consumers in amounts in excess of the prescribed fees and interest. The Respondent benefitted at the expense of the affected consumers. In terms of section 150(b) of the Act, the Respondent was interdicted from engaging in any further prohibited conduct. The Respondent was ordered to pay an administrative penalty in the sum of R450 000,00.

Order against prohibited conduct

NCR v CASH CONVERTORS AND OTHERS NCT/18013/2014/140(1)

The Applicant lodged an application in terms of section 140 of the National Credit Act 34 of 2005 ("the Act") for an order declaring

the Respondents to have engaged in prohibited conduct and for the imposition of an administrative fine as well as other relief. The Respondents did not conduct proper affordability assessments and did not furnish consumers with pre-agreement statement and quotations. Furthermore, the Respondents had retained consumers Identity Documents and bank cards. The matter was set down for hearing on 27 February 2015. On 25 February 2015, the Applicant and First, Second and Fourth Respondents submitted a deed of settlement and requested the Tribunal to confirm it as a consent order. The Third Respondent was not part of the settlement agreement. After consideration by the Tribunal, the Settlement Agreement entered into between the Applicant and the First, Second and Fourth Respondents on 24 February 2015 was made an order of the National Consumer Tribunal in terms of Section 138 of the NCA as amended. As the Judgment was only in regard to the Third Respondent, the Tribunal declared that the Third Respondent's conduct constituted prohibited conduct and ordered the Respondent to pay an administrative penalty in the amount of R400,000.00.

Review of decision to refuse registration of developmental credit providers

BRIDGE TAXI FINANCE (PTY) LTD v NCR & RUEWELL INVESTMENTS NCT/17994/2014/59(1)

The Applicants lodged an application with the Tribunal in terms of section 59(1) of the Act, seeking the review and setting aside, in whole, of the decision taken by the Respondent to refuse to register the Applicants individually as developmental credit providers as contemplated in section 41, read together with section 40 of the Act. The matter of Bridge Taxi Finance and Ruewell Investments were consolidated into one hearing in accordance with Rule 16(1) of the Rules.

The Respondents advised that the Applicants were disqualified from registration due to the fact that Mr. Bezuidenhout, who was employed by the Applicant, in a controlling or managerial capacity, acted with disregard for consumer rights during his tenure at SA Taxi.

The Tribunal found that the Respondent misapplied itself to the law and therefore made a decision materially influenced by an error of law in that section 47(2) requires that a natural person must have been a director of an entity that acted with disregard for consumer rights generally, not that the natural person in his or her personal capacity must have acted as such.

However, even if the Respondent was given the benefit of the doubt, as it tried to rectify this error in its heads of argument, there has not

been a finding by a competent body against SATS, the registered credit provider in which Mr Bezuidenhout exercised general management or control, that it had ever acted with disregard for consumer rights generally. The Tribunal ordered that the decision of the Respondent be set aside in whole and that it be remitted to the Respondent for re-consideration.

Deregistration as a credit provider

NCR v TAPEISI CASH LOANS CC NCT/18272/2014/57(1)

This application was lodged on 8 October 2014 in terms of Section 57(1)(a) of the Act for an order to cancel the Respondent's registration as a credit provider and for certain alternate relief as set out more fully in the Applicant's pleadings. The Respondent did not file any answering affidavits or a response to the application. The evidence before the Tribunal was that the Respondent did not make an attempt to comply with the Act, the Respondent granted credit to consumers without taking reasonable steps to conduct an assessment; failed to provide the consumers with pre-agreement statements and quotations; failed to provide consumers with a copy of the credit agreement; charged consumers in excess of the applicable maximum interest rate and failed to keep and maintain records of applications for credit, credit agreements and pre-agreement statements and quotations. The manner in which the Respondent conducted its business as a credit provider displayed a total disregard for the Act and the interests of consumers. Furthermore, the Respondent had not opposed the matter and not provided any indication of wanting to rectify the situation and ensure compliance with the Act, nor has the Respondent provided any mitigating circumstances that the Tribunal could take into account. Immediate cancellation of the Respondent's registration as a credit provider was therefore justified as opposed to a suspension and administrative penalty. The Tribunal ordered the cancellation of the registration of the Respondent.





Programme 2: Administration

The purpose of this programme is to provide strategic leadership to the NCT to ensure the successful implementation of its legislative mandate through flexible, efficient and sustainable resource solutions and support services.

The following sub-programmes fall under Administration.

- **Office of the Executive Chairperson** – provides strategic direction and oversight over the NCT's operations and fulfils the function of the Accounting Authority.
- **Office of the COO** – provides operational direction and management of the NCT's operations.
- **Financial Management** – manage the forecasting, budgeting, financial resource allocation, and effective financial management.
- **Human Resources and Facilities Management** – to maximise the productivity of the NCT by acquiring, developing and retaining human capital and aligning same with the mandate and goals of the NCT.
- **Information and Communication Technology** – provides support to ensure that the appropriate technology architecture, electronic communication channels and associated information resources and services are available to ensure that the NCT is able to operate efficiently and in a secure manner.
- **Communication in the Office of the Executive Chairperson** – facilitates greater awareness of the NCT's role, mandate and adjudicative outcomes and ensures that there are regular, structured opportunities for engagement with key stakeholders.

Strategic objectives

The following strategic objectives were set for 2015/16:

- To ensure cooperation and partnership amongst external stakeholders through ongoing engagement.
- To build Tribunal capacity through research papers or approved briefing papers on consumer protection and credit related matters, added to the NCT knowledge database.
- To effectively and efficiently manage the financial resources of the NCT.
- To enhance operational efficiency by implementing an enabling ICT architecture.
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate.
- To expand economic opportunities for historically excluded and vulnerable groups.

Performance against predetermined objectives

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Co-operation and partnership between stakeholders	Number of structured engagements with external stakeholders including events, structured meetings and joint forums	10 engagements	35 Engagements	Over achieved. More engagements were arranged during this period as co-operation and partnership were necessary to assist with stakeholder relations in the NCT's case load, motion courts and matters incidental thereto in order to improve service delivery, access and turnarounds.	N/A
Increased knowledge	Number of research and approved briefing papers on consumer protection and credit related matters added to the NCT knowledge database.	22	31 Research and approved briefing papers	Over achieved. The Tribunal managed to attend to more research and briefing papers than was required.	N/A
Adequate Human Resources to fulfill NCT mandate	Percentage positions filled on approved organisational structure	85%	88.92%	Over achieved. The Tribunal filled 88.92% vacant positions during the 2015/16 financial year.	N/A
An ICT Enterprise Architecture that supports, enables and meets NCT's requirements	Number of predefined ICT systems developed and /or implemented	HR performance management module – ESS	Achieved. HR Performance management module on ESS, implemented. Certain assessments conducted as part of user acceptance testing and completed successfully.	N/A	N/A
Reliable forecasting and budgeting	Achievement of milestones in the development of a reliable budgeting and forecasting model - approved by the Executive Chairperson	Model developed and approved	Achieved. Model developed in terms of approved project plan	N/A	N/A
Youth with employable skills and experience	Number of youth employed through structured opportunities created for youth development	28	Overachieved. 30 Youth Appointed. During Q1, the NCT appointed 26 youth, 1 incumbent during Q3 and 3 in Q4. The NCT therefore over-achieved this target.	Due to the sharp increase in the NCT's caseload, it was necessary to appoint more individuals than anticipated into the contingent pool of employees.	N/A

The Office of the Executive Chairperson



Ms D Terblanche
Executive Chairperson

The Tribunal members, COO as well as the Senior Liaison Officer and 2 administrative support employees resorts under the Executive Chairperson in her office.

The Executive Chairperson provides strategic direction and oversight over the operations of the NCT. The Tribunal Chairperson is appointed by the President of the Republic of South Africa and is appointed as Executive Chairperson and Accounting Authority by the Minister of Trade and Industry. As a Tribunal member, the Chairperson fulfils an adjudicative function. She is responsible to manage the adjudication process in terms of the NCA, CPA and other applicable legislation.

The Chairperson's role as the Accounting Authority is discussed on page 80 and in this role, she is responsible for ensuring that sound governance is maintained at the NCT. She is further responsible for establishing policies, systems and operating procedures and overall oversight over all aspects of the Tribunal, whether adjudication, governance or operations.

During the reporting period, communications resorted under the Office of the Executive Chairperson. The focus of NCT's communication is to facilitate greater awareness of the NCT's role, mandate and to ensure regular, structured opportunities for engagement with key stakeholders. This ensures that the NCT operates in an environment where stakeholders are well informed and in which the regulatory activities of other stakeholders may be effectively aligned.

The Office of the Chief Operating Officer



Ms M Bosch
Chief Operating Officer

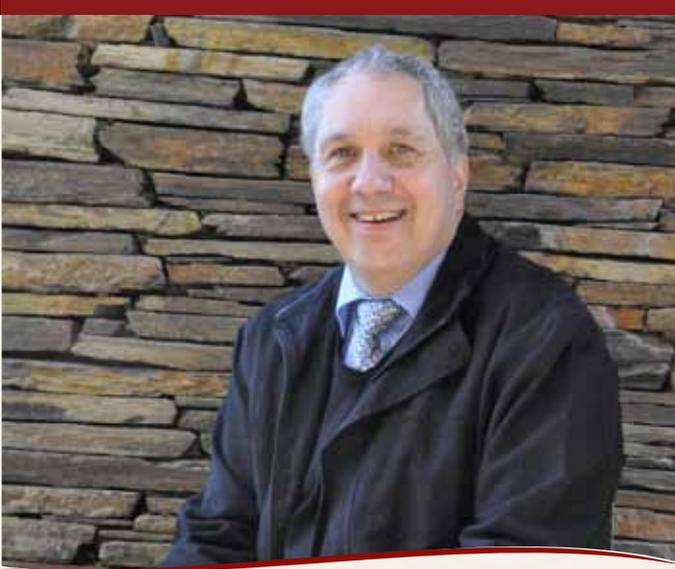
The office consists of the Secretariat and Compliance Specialist, an Administrative Officer, PA to the COO, the Receptionist and the Organisational Records Officer

The COO provides operational direction and management over operations. She is tasked with driving performance measures for the Tribunal and manages overall operations and ensures that the NCT remains compliant with its objectives and meets the deliverables as set out in its Strategic, Annual Performance and Business Plans. The COO is further responsible for ensuring that business operations are efficient and effective and that proper management of resources and systems is conducted. This further entails planning, monitoring and compliance of the NCT with all applicable legislation and obligations as set out in various Acts, policies and standard operating procedures as well as establishing relevant internal controls. During the year under review, the NCT met all its obligations in this regard. Audit management, risk management and fraud management also form part of the COO's responsibilities and these items are discussed on page 63 and 66 of this report. The COO's Office is furthermore responsible for compliance management, organisational records management and logistical arrangements.



Office of the Chief Operating Officer

Financial management



Mr W Strauss
Chief Financial Officer

The financial management of the NCT is the responsibility of the Finance Unit under the leadership of the Chief Financial Officer. In addition to the Chief Financial Officer, the Finance Unit consists of the Assistant Accountant, Finance Officer as well as an administrative officer.

The vision of the Finance Unit is to be a respected business partner that contributes to financial sustainability and the sound reputation of the NCT. The mission of the Finance Unit is to optimise financial performance and good governance at the NCT by providing insightful guidance, excellent service and ensuring sound internal control.

In order to achieve its strategic objectives and to contribute towards the organisational goals and objectives of the NCT, the Finance Unit's strategic goals have been formulated to ensure the effective and efficient use of financial resources. Sound financial management is an imperative in sustaining the NCT. The goals of the Finance Unit were accordingly set out in the Strategic Plan of the NCT as follows:

To provide sound strategic financial advice

Through the monthly monitoring of the NCT's budget and the compilation of quarterly spending trend reports and forecasts for the remainder of the financial year, the Finance Unit was able to advise the Executive Chairperson and EXCO on an on-going and pro-active basis in relation to the impact of the rapid increase in the caseload on the financial and human resources of the NCT. This enabled the NCT to re-evaluate its financial position and resource availability on a regular basis and to shift its focus to pressure areas and to reprioritise its spending and the implementation of projects in order to stay within its financial means and still achieve its strategic objectives.

To optimise the value for money received by the Tribunal from vendors of goods and services

Through sound financial discipline and the implementation of cost and efficiency savings in conjunction with other units, the Finance unit ensured that the NCT obtained value for money from its suppliers and that more funds were available for adjudication. The CFO pro-actively monitors expenses to advise on any abnormal or unexpected increase, resulting in the achievement of savings by the introduction of appropriate strategies and cost saving initiatives. In addition, the Finance Unit ensures that payments are only made to suppliers after confirmation of the correct quantity and quality of goods and services rendered to the NCT. The relevant Manager confirming the above will accordingly only process payments on sign-off.

To implement the appropriate actions to ensure accurate forecasting and budgeting

Due to fiscal constraints at government level, it is crucial that the NCT ensures that budgets are prepared accurately and that the forecasts used in the allocation of financial resources are reliable as additional funding will not be available should the NCT not manage to stay within its allocated budget. As part of its strategic objectives, the NCT set a key performance indicator for the research, development and implementation of a reliable budgeting and forecasting model. During the 2015/16 financial year, this research was done and the model was developed and approved for implementation on 1 April 2016.



Office of the Chief Financial Officer

To effectively and efficiently plan, manage and report on the finances of the Tribunal

Management Accounts were prepared on a monthly basis and submitted to *the dti* once approved by the Chief Operating Officer and the Executive Chairperson. The monthly management accounts included a trends analysis in which spending trends were analysed and recommendations made where necessary as to future resource allocations and potential areas where cost saving initiatives can be implemented or efficiency gains be achieved. Quarterly financial statements were also prepared that were submitted to National Treasury, *the dti* and the Audit and Risk Committee.

To maintain effective and efficient financial processes, systems, controls and policies to manage financial resources and risks

Through the updating of the policies and standing operating

procedures within the Finance Unit, the NCT was able to operate within a sound control environment that has reduced the risk of financial loss to the NCT and the risks of internal and/or the external auditors identifying control deficiencies.

To embark on initiatives to ensure the Tribunal is appropriately funded through considering alternative funding, funding for programmes and an alternative funding model

Due to the continuous increase in the caseload beyond the expectations of the NCT, the NCT is operating on a tight budget to ensure that it can adjudicate on cases brought before it and to execute its mandate. During the 2015/16 financial year a motivation for additional funding was submitted to National Treasury via *the dti*. This has resulted in an additional R3 million allocation to the NCT during March 2016 as part of the revised Estimates of National Expenditure process.

Finance Committee Report

The Finance Committee is comprised of three (3) members. This committee is an operational, working committee, that was established to assist the Executive Chairperson and the Tribunal with advice and guidance by means of reviews and recommendations relating to the areas of financial risk management, financial policy and financial matters within which the Tribunal operates.

Membership and attendance



Adv. J Simpson, Mr W Strauss, Ms H Devraj, Ms P Beck

Finance Committee	Capacity	16 May 2015	17 July 2015	01 February 2016
Ms. H Devraj (Chair)	Full-time Tribunal Member	Present	Present	Present
Adv. J Simpson	Full-time Tribunal Member	Present	Present	Present
Ms P Beck	Part-Time Tribunal Member	Present	Present	Present

Finance Committee Charter

The committee operates in accordance with an approved Charter that sets out its duties and responsibilities. The Committee has been operational since August 2014.

Key areas of responsibility of the Committee

The main responsibility of the committee is to review and provide advice and guidance on financial activities and overall financial risk

Finance Committee Report *(continued)*

management matters that are tabled before the committee and make recommendations in respect thereof to the Executive Chairperson. The Committee has a responsibility to retrospectively review the monthly financials, MTEF and ENE submission as well as any other financial submissions made to external stakeholders. Reviewing of the annual financial statements, considering certain financial transactions, or any other urgent financial matter as may be required by the Executive Chairperson, are further areas of responsibility.

The Committee will operate in a consultative fashion by seeking inputs from all relevant internal stakeholders including executives, management and staff through the office of the COO for its consideration before making recommendations.

Recommendations

Some of the key recommendations that were made by the Committee are as follows:-

1. Review of Annual Financial Statements

The Committee went through an extensive process of reviewing the Annual Financial statements as well as the detailed working papers relating to all the figures on the AFS. The Committee worked through the previous issues raised by the AG. The Accounting Authority report was considered and input provided. Issues that were raised by the Committee, were accepted by the Executive Chairperson and the

CFO implemented the recommendations. The extensive review by the Committee contributed to a smoother process leading to the final approval of the AFS.

2. Value for Money and BEE

From a more strategic view, the Committee recommended that the CFO conduct research into issues relating to value for money as well as the how the Tribunal will monitor BEE issues and areas of compliance in this regard. This is to ensure that the NCT is kept abreast with latest financial developments that could impact the NCT.

3. Disposal of Assets

The committee considered the proposal on the process to be followed by the NCT in its disposal of assets and also reviewed the assets that were being recommended for disposal. The Committee accepted the proposal put forward by the CFO and recommended to the Executive Chairperson that the assets identified should be disposed off.

Human Resources and Facilities



Ms C Selepe
HR and Facilities Manager

The HR & Facilities Unit consists of the HR & Facilities Manager, an HR & Facilities Officer (vacant during the reporting period) as well as 2 cleaners.

As the working environment is a key component to the work experience of staff, facilities, including occupational health and safety (OHS), form a key part of the role of the HR and Facilities Manager in addition to Strategic and Transactional Human Resource Planning Management.

As a result of the direct impact of the increasing caseload on Tribunal operations and human resources, line management, in consultation with the HR and Facilities Manager, has consistently ensured that the resultant increased workload is effectively managed in a sustainable way.

In light of the above, the goals of the HR and Facilities Unit were set out in the 2015/16 Strategic Plan of the NCT as follows:

To attract, develop and retain the right people to ensure the right skills in the right place at the right time to deliver on the NCT's mandate

In order to achieve this goal, the recruitment of a competent and capable workforce was a key priority during the year. At the end of the reporting period, 88,92% of the Tribunal's positions were filled. In addition, 30 youths were appointed to the contingent pool of employees due to the sharp increase in the NCT's caseload. Two interns were further appointed under the Internship programme. This programme not only focuses on government's youth employment priorities, but also acts as a feeder for junior positions,

which might become vacant within the NCT. The Tribunal also considered other ways to attract and retain a competent workforce through the development of a Recruitment Strategy and subsequent amendments to its Recruitment Policy.

To develop an enabling framework and working environment that optimises the potential for employee engagement and wellness

Team dynamics within the organisation were honed through coaching sessions for staff members as well as the management team, the result of which was great self-awareness amongst participants and effective dialogue for the betterment of employee relations. Managers furthermore underwent management training to ensure Managers are equipped to optimize amongst other, employee engagement.

To shape a values-based culture that champions service excellence

The performance of all NCT Tribunal members and staff continued to be managed utilising the NCT's performance management system throughout the period under review. In the same light, working hours for NCT staff members were closely monitored and overtime closely managed. Where line management indicated a justifiable increase in workload, this was mitigated through the use of additional resources in the form of contingency staff members to ensure healthy and sustainable work distribution.

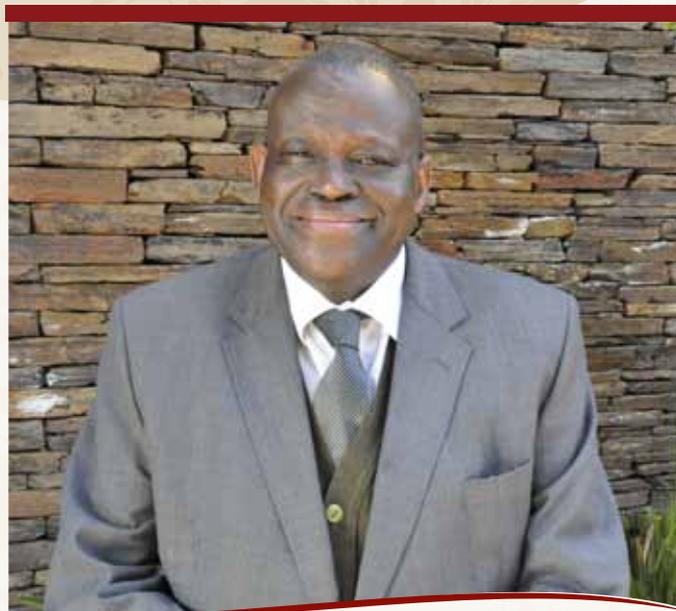
To ensure compliance with all relevant employment and OHS related policies, legislation and regulations

The HR Unit reviewed all applicable HR policies and procedures to ensure compliance with employment-related legislation and regulations. In addition, HR ensured that policy changes that may impact on the relevant employees were each preceded by a consultative process with the affected employees for their inputs. During these sessions, clarification on changes sought by employees was also provided. All HR policies and procedures further served before the HR Governance Committee for expert input and recommendation to the Executive Chairperson. The full report on the activities of the HR Unit is set out in Part D: Human Resources.

To establish user-friendly HR systems to facilitate and inform accurate HR data and reporting

The NCT has implemented a system developed by Sage VIP to automate the performance review system. The implementation of the VIP HR Performance Management module was completed by the end of the reporting period and staff are now able to do their bi-annual performance reviews electronically.

Information and Communications Technology



Mr B Nomvete
ICT Manager

The ICT unit consists of 3 fulltime staff, namely the ICT Manager, Senior ICT officer and ICT officer. Both the Senior ICT officer as well as the ICT officer positions where filled during this financial year thus ensuring the ICT Unit is fully staffed from an approved permanent positions perspective.

The ICT Unit is responsible for providing the NCT with systems and services which will enable the business processes to operate in an efficient and effective manner. It is also responsible to manage electronic access of NCT resources to all authorised stakeholders (internal and external) in a fast and secure manner from any geographic location. This enables the NCT to achieve its mandate in an innovative, secure and automated manner. During the reporting period, the ICT network infrastructure experienced no significant outages.

In terms of the business applications the Case Management System (CMS) was put into production at the beginning of the financial year to ICT enable the administration processes. Some "teething" problems where experienced in terms of the change management process with regards to the capturing of filed applications in o the system, which had to be attended to. Modifications were made to the system to enable efficiencies to be introduced in the data capturing process into the CMS.

The NCT set five strategic goals for 2015/16 for the ICT Unit in its Strategic Plan, which was achieved as follows:

Ensuring that the ICT Enterprise Architecture supports, enables and meets the NCT's business requirements.

In order to meet this goal, the NCT Enterprise Architecture Framework (EAF) Gap Analysis and Migration plan identified 2 key projects for the reporting period which were:

- The deployment of an automated Human Resource performance management system.
- Enhancements to the Case Management System, which was rolled out and put into production at the end of the previous financial year (2014/15).

The implementation of the human resource automated performance management review system has gone well with the development and approval of the specifications and the deployment of the system within the timeframes identified. The system was successfully rolled out and users are currently being migrated into this environment for the entire bi-annual performance management cycle.

In terms of the enhancements to the Case Management System, additional functionalities were planned to be rolled out in the 2015/16 financial period to further introduce efficiencies into the Case Management System in production. These functionalities will facilitate speedier access to the Tribunal services and reduce, and in some instances remove, the resource requirements for the management and adjudication of cases filed with the NCT, including the manual reconciliation of filing fees for revenue recognition purposes.

The key enhancements that were identified and given focus during this period included the following:

- The submission of applications by filing parties using an electronic file format (XML), which would allow for direct ingestion of applications' data into the case management system database, thus obviating the need for data capturers. Full validation of data field content is incorporated so that information that is populated in the database has the required accuracy and integrity. This facility has been built and is being pilot tested with external providers to ensure the electronic file exchange mechanisms are operational.
- An automated decision support capability whereby the system would use a built in set of rules to support assessment of filings made with the Tribunal and the adjudication on debt re-arrangement applications. This will reduce the time spent on the bulk of the debt re-arrangement applications and allow them to focus on the more complex and diverse non debt re-arrangement applications.. Progress on this enhancement has met with certain challenges, which have resulted in this

project not being completed as originally planned at the end of the 2015/16 financial year. The project is still underway, as a result.

- The automation of the filing fees payment and reconciliation process whereby an "electronic purse" facility is provided to a debt counsellor where they are able to deposit one lump sum into the designated Tribunal bank account from which payments will be routed for the filing fee of multiple DRA applications. Once the payment is made the system will reconcile the payments against the number of applications submitted and automatically deduct the said amounts from the "e-purse". Once a filing party's "purse" is depleted, the system will not allow them to submit further applications until the funds for the requisite filing fees have been deposited and the "purse" is topped up with the amount required to submit further applications. As with the automated decision support system above, challenges have arisen that have prevented the ICT unit in completing this project by the end of the 2015/16 financial year and the project is still a work in progress.



Office of the ICT Manager

Increasing secure, controlled access for Tribunal Members, employees and other relevant stakeholders to the NCT's key business processes, information and services

During this period an interface was developed to allow external filing parties access to the NCT case management system via the NCT external website by the addition of a tab labelled "Case Management System" under the "links" button on the home page. This facility directs the external user to the case management system's login page. Once the XML and automated decision support functionality mentioned above is operational, the NCT will enable authorized external users to be able to sign in on to the system via the website for the submission of electronic (XML format) applications.

The previously implemented SharePoint and Remote Desktop Services facilities are working well for the NCT and continue to provide authorised users controlled remote access into the NCT ICT applications and services from external locations.

Service delivery to NCT staff members and Tribunal members in terms of systems and ICT infrastructure support continued to be delivered through the use of the NCT incident management system which allows users to lodge problems being experienced. During the reporting period 92.6% of logged ICT problems from users within all severity categories were resolved within the times stipulated by the ICT approved standard operating procedures

Ensuring that the ICT Enterprise Architecture is secure and that its users are protected against hacking and viruses

Through the continued effective maintenance of our Microsoft windows based active directory database configuration, the Trend Micro anti-virus software and our firewall policy, the NCT has successfully met this goal with no security breaches experienced during the reporting period.

Physical access to the server room is secured by use of a keypad, which is linked to a server that logs the entered access code every time someone attempts to occupy this area. Only the ICT Manager and the Senior ICT officer have “granted” rights on the access control server to go into this server room.

Physical access to the NCT premises is further access controlled through the use of 5 keypad access control points. These points are strategically placed at entrance points as well as sections leading into operational areas to ensure that NCT staff is safe by the restriction of public access.

Providing effective change management services to support user adoption of newly-implemented systems

The change management goal focus during the reporting period was centred on getting users of the case management system to be more comfortable and adept with using the user interface for applications, data capture and processing.

At the beginning of the financial year challenges were experienced with getting users familiar with the system, however this improved significantly once people had used the system for an extended period of time with less challenges reported where assistance was provided. During this period it was identified that more thorough user acceptance testing was required. The user acceptance requirements also had to be explained better. These processes were implemented.

The case management system as at the end of the 2015/16 period “houses” 17,899 case records on its database.

To effectively manage ICT-related risk through effective management and good governance

The three key structures that addressed this goal during the reporting period included the ICT Steering Committee, whose primary focus was on the Case Management System (CMS), the NCT’s EXCO and the ICT Governance committee. Regular reporting and feedback to these structure and recommendations from them to the NCT Accounting Authority form the backbone of the ICT Manager’s accounting responsibility.

ICT Risks were pro-actively identified and reviewed and regularly reported on utilising the NCT’s Risk Management process.

ICT governance is measured regularly through self-assessments against CoBIT and King III and reporting to EXCO and the ICT Governance Committee for consideration and recommendations to the NCT Accounting Authority.

The approved data backup strategy completed in the previous financial year was successfully implemented. This provides a much more cost effective solution than the previous online backup mechanism with an increased degree of redundancy as the backup drives are taken offsite on a weekly basis.

Through the appointed disaster recovery service provider, the ICT Unit conducted a detailed data recovery exercise in Quarter 3 of the reporting period. User tests were successfully conducted in all the respective business units and the service provider subsequently issued a certificate to that effect.

With the continued threat of load shedding, over and above having an offsite disaster recovery site, the unit acquired a generator which powers all servers and power over Ethernet points ensuring further resilience in the event that a power outage is experienced. Once the grid fails, the generator “kicks” in within an eight second timeframe, which is well within the threshold to provide continuous power to the systems infrastructure. The UPS system, for example, has an operational window of up to 40 seconds.

“ THE CASE MANAGEMENT SYSTEM AS AT THE END OF THE 2015/16 PERIOD “HOUSES” 17,899 CASE RECORDS ON ITS DATABASE. ”

ICT Steering Committee

During the reporting period, the ICT Steering Committee, comprising four members, continued to provide operational oversight over the management of all ICT-related projects. Within the COBIT framework, which the NCT has adopted as its governance model, there is a strong emphasis on implementing effective measures and control mechanisms to govern its ICT programmes. The ICT Steering Committee is one such instrument used to achieve this goal. Three committee meetings were held during which the ICT Manager reported back on progress made with project implementation.



Ms M Bosch, Mr W Strauss, Mr B Nomvete, Ms A Burger

Membership and attendance

Member	Capacity	No. of meetings attended
Ms M Bosch (Chairperson)	COO	2 of 3 (Maternity leave)
Mr W Strauss	CFO	3 of 3
Ms A Burger	Registrar	3 of 3
Mr B Nomvete	ICT Manager	3 of 3

Key areas of responsibility

The Committee operates in accordance with an approved charter that sets out its duties and responsibilities. Among others, it is responsible for:

- Reviewing and providing guidance on investment reports, business cases and project plans for identified ICT projects in line with submissions made by the ICT Manager;
- Ensuring that the scope of product and project development initiatives aligns with the requirements of the NCT;
- Reconciling differences in opinion and approach, and resolving disputes arising from product and projects development;
- Reporting project progress to EXCO and the ICT Governance Committee; and
- Overseeing the monitoring of contracted service providers to ensure that they deliver on requirements as per the signed SLA.

The Committee operates in a consultative fashion by seeking inputs from all relevant internal stakeholders, including Executives, Management and staff, through the Office of the COO, before making recommendations.

Main activities during the reporting period

The ICT Steering Committee focused on the development and deployment of the enhancements to the implemented Case Management System as well as user support of same with the transition to the motion courts process.

Communications in the Office of the Executive Chairperson



Ms D Terblanche
Executive Chairperson

The focus of the NCT's communication is to ensure that the NCT and its mandate are well understood by its stakeholders and that its services are easily accessed by all relevant people who require such access. In addition the NCT strives to facilitate greater awareness of its adjudicative outcomes. Further focus areas of communications are brand management, crisis management and public relations.

The vision of communications is to be recognized as an impartial, professional and effective adjudicator on consumer and credit issues in South Africa. The vision of Communications is to enhance the reputation of the NCT in the consumer regulatory environment through effective communication, easy access to information and ongoing engagement with stakeholders.

The goals of Communications were as follows:

- **To ensure cooperation and partnership amongst stakeholders through enhanced interaction and engagement;**

The NCT engaged with various stakeholders in the achievement of this goal. Its progress is set on hereunder on pages 56.

- **To ensure that information about the roles, processes and decisions of the Tribunal is readily accessible to all stakeholders;**

All judgments of the Tribunal is placed on SAFLII, a legal database as well as on the NCT's website. The NCT further has a guide to bringing applications to the Tribunal in all 11 official languages as well as brochures containing information about the Tribunal. The NCT further participates in outreaches arranged by other COTII institutions and the dti and at these events share information about the Tribunal's role, processes and decisions.

- **To maintain a consistent and professional image as a leading adjudicator in Consumer and credit matters;**

The NCT's follows its corporate identity manual in relation to all documents produced. Further, judgments are quality reviewed prior to issuing to ensure that grammar, formatting and language use is consistent with the image of the Tribunal.

- **To ensure easy access to accurate information about the Tribunal and its operations.**

The NCT's website contains information about the Tribunal as well as its annual report. All case and operational records are stored electronically to allow for easy retrieval should same be required. The published guide on bringing applications to the Tribunal is furthermore provided to parties who are interested to file with the Tribunal to ensure easy access to relevant information.



Office of the Executive Chairperson

Stakeholder relations

Stakeholder engagement is driven mainly by the need for the Tribunal to utilize its resources and deliver on its mandate effectively and efficiently. The outcomes the Tribunal wish to achieve through its strategic communications are to apply its resources to cases that should be referred to it in terms of the NCA and CPA; that its stakeholders and filing parties are aware of and know what for and how to utilize the Tribunal's services

Key stakeholders include **the dti**, Tribunal Members and staff, committee members, as well as other regulatory entities, the public and all parties who may file with the Tribunal.

During the reporting period, the NCT had 35 engagements with external stakeholders instead of the 10 that was initially planned. The increase in the number of stakeholder engagements as opposed to what was planned initially, were driven by the problems the Tribunal's stakeholders experienced with the Tribunal's service delivery during the first part of the year. During those engagements the stakeholder's were kept abreast of the development of the Case Management System and the implementation of the Motion Court Process and they provided value input in the processes.

In addition, the Tribunal participated in two international conferences, the African Dialogue, held in Egypt during August 2015, as well as the 20th Consumers International (CI) World Congress in Brazil from 18-21 November 2015 under the theme 'Unlocking Consumer Power: A new vision for the global marketplace'. The African Dialogue promotes cohesion in consumer protection in Africa and the CI conference sought to globally improve the strategic thinking around the processes supporting consumer protection laws.

A joint conference was further held during February 2016, together with the NCR and NCC. The purpose of this conference was to

promote cohesive and comprehensive consumer protection in the market. This conference received good reports from participants in the event.

Regulatory entities

The NCT engaged with **the dti** during regular meetings on the challenges that face the Tribunal and how it impacts on its operation and service delivery. The NCT attended parliament on a few occasions during the past financial year including an exhibition with sister entities reflecting on the NCT's successes for 2014/15. In addition, the NCT had discussions with the Minister of Trade and Industry regarding the appointment of new Tribunal members.

Educational institutions

During the reporting period, the Executive Chairperson, supported by the COO, engaged with a variety of educational institutions, including the University of the Free State, University of KwaZulu-Natal, University of Zululand, Durban University of Technology as well as the University of the Western Cape and LSSA to discuss the curriculum of consumer courses taught at the institutions as well as make the students aware of the Tribunal and the variety of careers in the Regulatory environment.

Filing parties

Due to the sharp increase in the NCT's caseload during the reporting period, it was necessary for the Tribunal to engage frequently with filing parties, especially Debt Counsellors to advise them of the progress of the implementation of the Case Management System (CMS) and the introduction of Motion Court for DRA matters. The engagements were very successful and the implementation of the CMS as well as the Motion Courts was well received by the filing parties.



Strategy to overcome areas of under performance

During the year, the NCT struggled to attain and retain its expected levels of service delivery. In order to address this, the NCT implemented a motion court process, as well as increased strategic stakeholder interactions.

Changes to planned targets

There were no changes to planned targets for the period.

Linking performance with budgets

Programme	2014/15			2015/16		
	Budget	Actual expenditure	(Over)/ under expenditure	Budget	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Adjudication	19 399	15 257	4 142	22 304	16 879	5 425
Administration	26 491	24 092	2 399	27 527	25 223	2 304
Total	45 890	39 349	6 541	49 831	42 102	7 729

The under expenditure in adjudication cost is attributable to a number of factors. There are two major contributing factors though. Firstly, the implementation of motion courts have resulted in part-time Tribunal members now being paid for adjudicating on an average of 32 debt re-arrangement agreement matters per day instead of 8, as a result of the support provided at the motion court by NCT staff to the Tribunal members and the major reduction in administrative tasks over and above the adjudicative function e.g. typing up of orders, information requests, etc. they have to deal with away from motion court. Although there is an additional travel cost component with motion courts being held throughout South Africa, the overall cost saving is approximately 50%. Secondly, due to the teething problems that were experienced with the implementation of the Case Management System as well as matters not being set down for hearings, a backlog of DRA applications and non DRA matters, to be adjudicated on in the 2016/2017 financial year, of approximately 11,000 cases developed. In this regard refer to Notes 14.1, 18.5 and 18.6 of the Annual Financial Statements for further detail.

Several factors contributed to the under expenditure in administrative costs. The main contributing factor throughout is the almost R1.6 million underspent on employee related costs due to vacancies that were experienced in the administration program. The NCT experienced challenges to appoint staff in certain positions that was only filled after a few recruitment attempts. ICT support was underspent by more than R200 000 due to most of the ICT support being provided by the NCT's own ICT staff. A number of savings were also achieved due to cost saving initiatives in the area of telecommunications where new contracts were negotiated. Due to the digitizing of records, which significantly reduced the Tribunal's need to print documentation, a cost saving initiative in respect of printing and stationary was achieved.

The capital budget was overspent by R1 864 536, as set out in the Capital Investment section as set out on page 58 of this report.

Linking performance with budgets

Revenue source	2014/15			2015/16		
	Estimate	Actual amount collected	(Over)/ under collection	Estimate	Actual amount collected	(Over)/ under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant income	40 164	40 164	-	43 029	43 029	-
Roll-over/additional funds	4 400	1 017	3 383	4 960	3 000	1 960
Filing fees	648	903	(255)	1 260	2 172	(912)
Service fees	-	3	(3)	-	2	(2)
Refund of equipment rentals	-	-	-	-	26	(26)
Insurance claims	-	-	-	-	30	(30)
Interest earned	678	1 048	(370)	582	1 473	(891)
Total	45 890	43 135	2 755	49 831	49 732	99

Filing fee revenue exceeded the budget as the caseload increased more than what was anticipated. An increase in the filing fee for debt re-arrangement matters from R100 to R200, effective from 4 February 2016, further contributed to increased revenue. Interest income received also exceeded the budget due to the higher than expected surplus funds carried over from 2014/15 as well as the space-planning project that was implemented very late in the year. This, together with the underspending in fees payable to part-time Tribunal members resulted in more funds being available for investment than what was budgeted for.

During the July 2015 MTEF process, the NCT informed **the dti** and National Treasury that it anticipates budget shortfalls beyond 2015/16 should the rapid increase in the caseload continue. A detailed motivation for additional funding was submitted to **the dti** and National Treasury in August 2015. This resulted in the NCT

receiving an additional grant allocation of R3 million during March 2016 through the ENE process.

Capital investment

The NCT does not have infrastructure projects and, as such, has no need for a Capital Investment Plan. It does, however, have property, plant and equipment that are accounted for in a detailed asset register, which is reconciled with the general ledger on a monthly basis.

The general condition of assets is good, and hence the cost of maintaining these assets is very low. As such, there is no significant maintenance programme for any backlog to develop and exists in any maintenance programmes. The movement of the NCT's property, plant and equipment during 2015/16 is summarised in the following table:

Property, plant and equipment	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	655 237	13 640	-	-	(52 242)	616 635
Office equipment	77 026	8 268	-	-	(21 053)	64 241
IT equipment	1 265 671	463 210	(34 799)	-	(352 551)	1 341 531
Leasehold improvements	86 768	1 654 614	-	-	(207 275)	1 534 107
Books	62 486	1 130	-	-	(26 820)	36 796
Signage	174	-	-	-	(174)	-
Office equipment – leased	358 283	-	-	-	(163 232)	195 051
Total	2 505 645	2 140 862	(34 799)	-	(823 347)	3 788 361

Capital expenditure was overspent by R1 864 536 (255.42%), mainly due to the space-planning expenditure (disclosed under leasehold improvements) which is being financed out of the approved roll-over funds from previous financial years. As the NCT is not allowed to do

reserve accounting, this expenditure cannot be allocated directly to the accumulated surplus at the beginning of the financial year and had to be accounted for in the current financial year.



PART C
GOVERNANCE

INTRODUCTION

Corporate governance embodies processes and systems by which an entity is directed, controlled and held to account. In addition to legislative requirements based on its enabling legislation and the Companies Act, Act No. 71 of 2008, corporate governance with regard to public entities is applied through the precepts of the PFMA and run in tandem with the principles contained in the King Code of Governance Principles and King Report on Governance (King III).

Parliament, the Executive Authority and the Accounting Authority of the NCT are responsible for corporate governance.

PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee (PC) on Trade and International provides oversight over the service delivery of the NCT.

During 2015/16, the NCT participated in a presentation to the Select Committee on Trade and International Relations regarding the NCT's Strategic Plan 2015/16 – 2019/20 and the Annual Performance Plan 2015/16 – 2017/18. In addition, should Parliamentary questions be posed to **the dti** entities, the NCT responds in writing to these questions.

EXECUTIVE AUTHORITY

The NCT, as a public entity within the sphere of **the dti**, reports, through the Department's Consumer and Corporate Regulation Division (CCRD) and the Public Entity Oversight (PEO) Unit to the Honourable Minister of Trade and Industry, Dr Rob Davies (MP).

The NCT complied with its obligations in terms of its Shareholder Compact by submitting quarterly reports to **the dti** on or before the end of each respective quarter. The Honourable Minister as Executive Authority approved these reports.

ACCOUNTING AUTHORITY

Introduction

The Executive Chairperson is the Accounting Authority of the NCT and holds absolute responsibility and accountability for its performance. She provides strategic direction to the NCT and, in her role as Accounting Authority, monitors operational performance and management, determines policy processes to ensure the integrity of risk management and internal controls, and ensures compliance with applicable laws, regulations and government policy. The role and responsibilities of the Executive Chairperson are set out and managed in terms of an employment contract and performance agreement entered into with the Minister of Trade and Industry.

During the reporting period, the NCT underwent an entity assessment in terms of which its governance practices and compliance with PFMA, risk management and audit management practices were assessed by **the dti**, utilizing a generic performance assessment tool developed by **the dti**. The NCT scored 100% on the assessment for its governance.

Governance committees

The following governance committees are in place to support and advise the Executive Chairperson in her duties:

- Audit and Risk Committee
- ICT Governance Committee
- Human Resource Governance Committee.

Because the Executive Chairperson is also a fulltime member of staff and therefore affected by NCT policies and procedures, any matters pertaining thereto are first put before the Executive Committee (EXCO) for comment. Such matters are then brought before the relevant governance committee for consideration and formal recommendations are made to the Executive Chairperson.

The Chairperson fully considers each recommendation from the governance committees and formally responds to each recommendation. When approving a recommendation, she issues an instruction to management through the office of the COO to action the recommendation with specific timeframes for implementation. If a recommendation is not accepted the Chairperson provides full reasons for not accepting the recommendation for consideration by the relevant committee.

The recommendations made by the NCT Audit and Risk Committee and the outcomes and progress thereof are reported to **the dti** in the Tribunal's quarterly report.

AUDIT AND RISK COMMITTEE

The role of the Audit and Risk Committee is discussed on page 65 and the Audit and Risk Committee Report can be viewed on page 69.

ICT Governance Committee

The ICT Governance Committee is comprised of three (3) Tribunal Members and an independent IT expert.

Membership and attendance

Member	Capacity	No. of meetings attended
Ms. Laura Best (Chairperson)	Part-Time Tribunal Member	0 of 4
Prof. Bonke Dumisa (Deputy Chairperson of the NCT)	Part-Time Tribunal Member	4 of 4
Adv. J Simpson	Fulltime Tribunal Member (Acting Chairperson for the four meetings held)	4 of 4
Mr B Mkhize	Independent ICT specialist	4 of 4

The Chairperson of the Committee was unfortunately not available for the meetings due to unavoidable circumstances. The Chairperson tendered formal apologies on each occasion. The CVs of the members of the ICT Governance Committee is attached to this report in Annexure A and B respectively.

Key areas of responsibility

The ICT Governance Committee is an oversight function and works in an advisory capacity to the Accounting Authority. The ICT Governance Committee is therefore guided in its work by an approved charter.

The committee reviews any items/documents requiring approval by the Accounting Authority. These items/documents are submitted by the ICT Manager to the ICT Governance Committee for review. Once discussed and consensus is reached, the committee makes a recommendation to the Accounting Authority.

Main activities during the reporting period

The committee deliberated on and made recommendations on the following main areas during the 2015/16 reporting period:

- Recommended ICT strategy and Plan
- The ongoing challenges experienced by the NCT in implementing the Case management system. The Committee made recommendations on how the progress on the project can be monitored more effectively.
- The challenges experienced by the NCT in recruiting a suitable senior ICT officer. The Committee made recommendations on a possible solution.
- The challenges experienced by the ICT unit in meeting its key performance objectives.

The NCT has a very clear focus on using ICT as an enabler to make the NCT as efficient and productive as possible. This focus is vital as the NCT is faced with ever increasing caseloads. The Committee noted that the ICT unit were faced by a number of challenges throughout the year, which made it difficult to achieve the somewhat ambitious targets set for them. The Committee must however commend the ICT staff for their admirable dedication and commitment. They provided a stable and efficient IT platform for the NCT and made great strides in achieving the goals set for them.



ICT Governance Committee
Prof Bonke Dumisa ,Ms Laura Best, Mr Busa Mkhize,
Adv John Simpson

HR Governance Committee

Membership and attendance

Member	Capacity	No. of meetings attended
Prof JM Maseko (Chairperson)	Part-Time Tribunal Member	5 of 5
Adv FF Manamela	Part-Time Tribunal Member	5 of 5
Ms H Devraj	Fulltime Tribunal Member	5 of 5
Prof S Paruk	Independent HR Specialist	5 of 5

The HR Governance Committee is comprised of three (3) Tribunal Members and an independent HR Specialist.

The HR Manager, who attends the meeting together with the COO in their official capacity, resigned at the beginning of the fourth quarter and accordingly a fourth quarter meeting was not held. The CV's of the members of the HR Governance Committee is attached to this report in Annexure A and B respectively.

Key areas of responsibility

The HR Governance Committee is an oversight function and works in an advisory capacity to the Accounting Authority. The HR Governance Committee operates in accordance with an approved charter. This includes the duties performed by the performance management and remuneration committees.

The HR Governance committee reviews all reports, plans, strategies policies and proposals relating to HR functions which require approval by the Accounting Authority. The committee further evaluates HR risks and make recommendations on internal control and risk mitigation plans.

Main activities during the reporting period

The committee deliberated on and made recommendations on the following main areas during the 2015/16 reporting period:

- The Committee in September 2016, recommended the HR Strategy for 2015-2017. The Committee commended management on an excellent document that really elevated and positioned HR to a strategic level.
- The ongoing challenges experienced by the NCT in securing and utilising the contingent pool staff to assist with the unpredictable and volatile increase in the NCT's caseload;
- The assessment of the performance information of the 2014/15 performance year in respect of instances whereby the Committee was not satisfied that the performance information supported the allocated scores. The Committee recommended that an external service provider be appointed to investigate the issues identified by the Committee and it commenced its investigations during Quarter 4. The outcome of the investigation will only be available during the next reporting period.
- The challenges experienced by the HR unit in meeting its business plan objectives.
- The need for management training to further enhance the skills and expertise of managers especially in the area of reporting;
- The introduction of "workplace forums" for staff to provide staff with an opportunity to collectively express their concerns and views to management.

The Committee noted that the HR unit were faced by a number of challenges throughout the year, which made it difficult to achieve the targets as set on the business plan. The resignation of the HR Manager during Quarter 4 of the reporting period compounded the challenges. However, the Committee is confident that once the unit is fully resourced, HR will take on its strategic role and direction within the NCT.



Ms Hazel Devraj, Ms Carol Selepe, Adv Frans Manamela, Prof Sesh Paruk, Ms Diane Terblanche, Prof Joseph Maseko

RISK MANAGEMENT

The Secretariat and Compliance Specialist, under the oversight of the COO, is responsible for risk management within the NCT. She is responsible, to amongst other tasks, continuously and pro-actively identify risks and updating the NCT's Risk Register on a regular basis, tracking action plans to address identified risks and reporting to EXCO on the status of risks within the Tribunal. Each Unit manager also has a role to play in identifying risks within their respective units and reporting to EXCO on these risks so identified as well as the appropriate steps taken to mitigate risk.

As at 31 March 2016, the NCT has 24 strategic risks on the Risk Register. The Tribunal management is responsible for implementing risk action plans and for ensuring controls are effective and continuously enhanced. At each Exco meeting, the relevant 'risk owner' reports on the status of the particular risk they manage as well as the mitigating actions taken. Progress against risk action plans is monitored and reported on a quarterly basis to **the dti** in the quarterly reports.

During the reporting period, the risks, associated with the constant and rapid increase in the NCT's caseload, as well as the lack of funding to meet operational requirements due to the increasing caseload, were prioritised. At the end of the reporting period, the NCT implemented 100% of the risk action plans that were due for implementation.

INTERNAL CONTROL

The NCT provides a stringent and focused approach to ensuring effective internal controls. Under the leadership of the Executive Chairperson, the COO and Executive Managers are responsible for ensuring that internal controls are implemented, maintained and monitored within the respective business units. In order to ensure that internal controls are effectively implemented and monitored, written Standard Operating Procedures were developed and approved for implementation. Compliance against these Standard Operating Procedures is monitored on an ongoing basis. These Procedures will be reviewed and revised from time to time to

ensure continuous strengthening of internal controls as and when deficiencies are identified and to ensure continuous effectiveness and efficiency within a controlled environment.

INTERNAL AUDIT

Key activities and objectives of the Internal Audit function

Internal Audit provides Management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the NCT. It assists the organisation in accomplishing its objectives through a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the NCT's objectives.
- Evaluate the adequacy and effectiveness of the risk management process and contribute to the improvement thereof.
- Assist the Accounting Authority in maintaining efficient and effective controls by evaluating those controls and making recommendations for enhancement or improvement.

The Internal Audit function is outsourced to an external service provider, Business Innovation Group (BIG), and is overseen by the COO. BIG audits all areas of business in terms of the approved three-year, risk-based Internal Audit Plan.

In addition, the internal audit unit of **the dti** also monitors compliance and engages with the NCT from time to time. This unit also monitors the NCT's reports on status of implementation of management's commitments on audit findings raised by either internal audit or external auditors.

Summary of internal audit work done

During the reporting period, Internal Audit conducted the following audits and reviews and reported on their outcomes to the NCT ARC as follows:

No	Audit	Date Commenced / Completed	Audit finding	Management commitment
1	Review of internal financial controls	Quarter 4 of 2015/16	None	None
2	Audit of predetermined objectives review	Quarter 4 of 2015/16	None	None
3	Review of Enterprise Risk Management	Quarter 3 of 2015/16	<p>1. Nr 1: Risk Management policy and framework were not part of the induction material for new employees</p> <p>2. Nr 2: Risk appetite statement is not prepared and approved as per the risk management framework</p>	<p>Nr 1: The Risk Management Policy and Framework is now included on the memory stick issued to new staff members as part of their on-boarding.</p> <p>Nr 2: The risk and tolerance statement was finalised and approved during September 2015.</p>
4	Supply Chain Management Review	Quarter 3 of 2015/2016	None	None
5	Compliance Review	Quarter 2 of 2015/16	1. Compliance draft standard operating procedures not captured in the current procedures performed by NCT	Management did not agree with this finding as the Tribunal has Standard operating procedures in place.
6	IT Applications Control Review	Quarter 4 of 2015/16	In progress at year-end	In progress at year-end
7	Follow up review	Ad hoc	None	None

Internal audit further performed the following ad hoc reviews during the reporting period:

- Performance Review – Office of the Registrar and outcome
- Performance review – CFO KPI review for the 2014/15 performance year. No findings were indicated in their report.
- Review of the Annual Financial Statements for the 2014/15

financial year. No significant findings were indicated in their report.

During the reporting period, **the dti's** Internal Audit Unit conducted a BI-Annual Agency Review. The outcome of the review was that the NCT complied with all the criteria and no exceptions were noted.

AUDIT AND RISK COMMITTEE

Key activities and objectives of the Audit and Risk Committee

The Audit and Risk Committee provides independent oversight over governance, risk management and control processes at the NCT, which include oversight and responsibilities relating to:

- Internal audit
- External audit
- Accounting and reporting
- Accounting policies
- Review of the AGSA's Management and Audit Reports
- Review of In-year Monitoring Reports
- Risk management
- Internal control
- Pre-determined objectives
- Ethics and forensic investigations
- Finance, Compliance and ICT.
- Fraud reporting.

The NCT's independent fraud hotline service provider is mandated to provide fraud reports as and when reported directly to the ARC. The NCT specifically budgets annually for the conducting of forensic investigations should instances of fraud or corruption be reported. During the year under review, no incidents of fraud were reported.



Mr Ameen Amod, Ms Janice Meissner, Mr Mohammed Kajee

Attendance of Audit and Risk Committee meetings

Name	Qualifications	Internal/ external	If internal, position	Date appointed	Date resigned	No. of meetings attended
Mr A Amod (Chairperson)	B Com, MBA, CIA, CRMA, CGSA	External	N/A	01/08/2011	N/A	6 of 6
Ms J Meissner	B Com, B Compt (Hons) CA	External	N/A	28/07/2011	N/A	6 of 6
Mr M Kajee	B Compt, CA, ACMA	External	N/A	01/01/2014	N/A	6 of 6

The following persons attend ARC committee meetings in their official capacities. – the NCT Executive Chairperson, COO, CFO, AGSA Representative and external audit manager assigned to the NCT, Internal Audit and **the dti** representative

The CVs of the members of the Audit and Risk Committee are summarised in Annexure B.

COMPLIANCE WITH LAWS AND REGULATIONS

The NCT reviews its regulatory environment on a regular basis and has incorporated all applicable laws, regulations and policies into its automated compliance monitoring system, Exclaim. The NCT's Compliance Universe on Exclaim is updated annually and it is the responsibility of the Secretariat and Compliance Specialist to ensure

that it is attended to. Compliance checklists are completed by the relevant policy owners on Exclaim, which allows for the generation of quarterly compliance reports for Audit and Risk Committee meetings.

During the reporting period, all 26 of the NCT's policies were reviewed and updated where applicable to ensure that it is compliant with all legislation and any amendments thereto.

During the period under review, the NCT complied with all laws and regulations impacting on its business.

FRAUD AND CORRUPTION

As a regulatory entity, adequate fraud prevention processes are essential to the NCT. Its Fraud Hotline is managed by an independent service provider, which is mandated to report any instances of fraud directly to the Chairperson of the Audit and Risk Committee. A panel of fraud investigation service providers is in place to investigate any instances of fraud reported through the Fraud Hotline. A fraud awareness session was furthermore held with NCT staff, which included information on the NCT Fraud Hotline and the type of instances which should be reported utilising the Fraud Hotline.

The NCT is pleased to report that no incidents of fraud were reported during the period under review.

MINIMISING CONFLICT OF INTEREST

The NCT has processes in place to determine whether any of the Tribunal members or staff have any vested interests in matters adjudicated by the Tribunal or in the procurement, governance and operational aspects of the Tribunal.

Annually, Tribunal members and staff declare their specific current interests, whether financial or otherwise, which may result in a conflict of interest. This is done by way of completing a declaration of interest form. In addition, the Tribunal conducts Companies and Intellectual Property Commission (CIPC) searches to determine whether any of the Tribunal members or staff are directors or shareholders in companies which might cause conflicts of interest in respect of service level agreements and /or adjudication.

Conflict of interest forms are completed during the adjudication of each case and before all governance, operational, procurement and recruitment interactions. Any conflict is immediately reported and assessed before the case proceeds. Any possible conflict with regard to the adjudication of matters is referred to the Executive Chairperson for a decision. Matters of conflict pertaining to a committee or meeting are referred to the Chairperson of the Committee or meeting. In the event of a conflict, the conflicting party will be recused.

In addition to the NCT's standard conflict of interest declaration that is completed by all the NCT staff, officials who are involved in the supply chain management (SCM) processes also complete an additional declarations pertaining specifically to their SCM responsibilities.

It is further required of all new employees at the Tribunal to complete and sign a Code of Conduct as well as Conflict of Interest pledge as part of their induction the NCT and its policies.

CODE OF CONDUCT

NCT staff and Tribunal Members adhere to a formal Code of Conduct and Conflict of Interest Policy. Through the Code of Conduct, Tribunal and staff members are expected to align their behaviour with the values of the NCT. The code also addresses disclosures relating to conflict of interest, financial disclosures as well as gifts received. In the event of breach, the internal disciplinary process is followed.

There were no reported breaches of the NCT's Code of Conduct during the reporting period.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

As required by legislation in terms of the Occupational Health and Safety (OHS) Act, Act No. 85 of 1993, the NCT strives to provide and maintain, as far as reasonably possible, a safe and risk free environment for its employees and stakeholders accessing the premises.

The NCT is registered with the Compensation Commissioner in terms of the Compensation for Occupational Injuries and Diseases Act, Act No. 130 of 1993, and makes an annual contribution towards the Compensation Fund to ensure compliance with legal instruments.

OHS forms a key part of the role of the HR and Facilities Manager, who guides and advises the Tribunal on OHS matters. The HR and Facilities Manager ensure that first aiders and fire wardens are identified within the NCT employees and that they are suitably trained. In addition, fire-fighting equipment are maintained and regularly serviced to ensure it is in a good working condition, should an emergency transpire. The NCT further participated in a fire-drill together with other tenants on the premises. No instances of breach of the health, safety and environmental issues were raised during the reporting period.

SOCIAL RESPONSIBILITY

Staff and EXCO members participate on a volunteer basis in identified corporate and social responsibility projects with children's homes, etc, by contributing cash, clothing, blankets, toys and toiletries, depending on the needs identified.





*Mr Ameen Amod
Chairperson of the Audit & Risk Committee*

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from **Section 51(1) (a) (ii) of the Public Finance Management Act (PFMA) and National Treasury Regulations 27.1**. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The system of controls within NCT is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance for public entities. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa (AGSA), we can conclude that the system of internal control as applied over financial and non-financial matters and enterprise risk management at the NCT is effective, efficient and transparent. This was underscored by the clean audit report of the Auditor-General South Africa (AGSA) with some audit findings. A few non-material control deficiencies were identified by the Internal Auditors in the system of internal control relating to the ICT Vulnerability assessment. The Committee has noted management's commitment to address these non-material control inadequacies, and will be monitoring management's progress in resolving these issues on a regular basis, as required in terms of the Audit and Risk Committee Charter.

Enterprise Risk Management

It is the Committee's view that enterprise risk management at the NCT continues to be adequate and effective. We are satisfied that the enterprise risk management processes undertaken during the year to address high risk areas within NCT continue to work effectively. There is an enterprise risk management framework in place, which includes the enterprise risk management strategy, fraud prevention plan and policy. NCT's enterprise risk management strategy also includes the fraud prevention plan, policy and the fraud hotline. An updated formal risk assessment was also undertaken and risk based internal audit plans were then developed, approved by the Committee and fully implemented. Key strategic and operational risks that were highlighted in the risk register were continuously monitored, discussed at the EXCO and Audit and Risk Committee meetings as part of the enterprise risk management strategy. The Audit and Risk Committee is satisfied that these risks were managed to an acceptable level.

Internal Audit

We are satisfied that the internal audit function has operated effectively, that it has addressed the risks pertinent to the NCT in its audits and has assisted the entity with value adding services to ensure that both financial and operational objectives were achieved.

Corporate Governance

We are not aware of any issues of non-compliance with corporate governance. In our view, NCT continues to strive towards complying with the sound principles of corporate governance.

In-Year Management and Monthly/Quarterly Report

The Accounting Authority has tabled the In-Year Management (IYM) and monthly/quarterly reports to the Minister and to the Committee, as required by the Treasury Regulations. The Committee is satisfied with the content and quality of these reports. As per our regular discussion with NCT management, management has confirmed that these reports were properly formulated in compliance with the PFMA and Treasury Regulations.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Authority;
- reviewed the AGSA's Management Report that had no audit findings;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the NCT's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the Annual Report;
- reviewed material adjustments, if any, resulting from the audit of the NCT;
- reviewed, and where appropriate, recommended changes to the interim financial statements as presented by the NCT for the six months ending 30 September 2015.

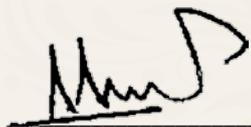
AGSA's Report

We have on a quarterly basis reviewed the NCT's implementation plan for audit issues raised in the prior year. The Audit and Risk Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit.

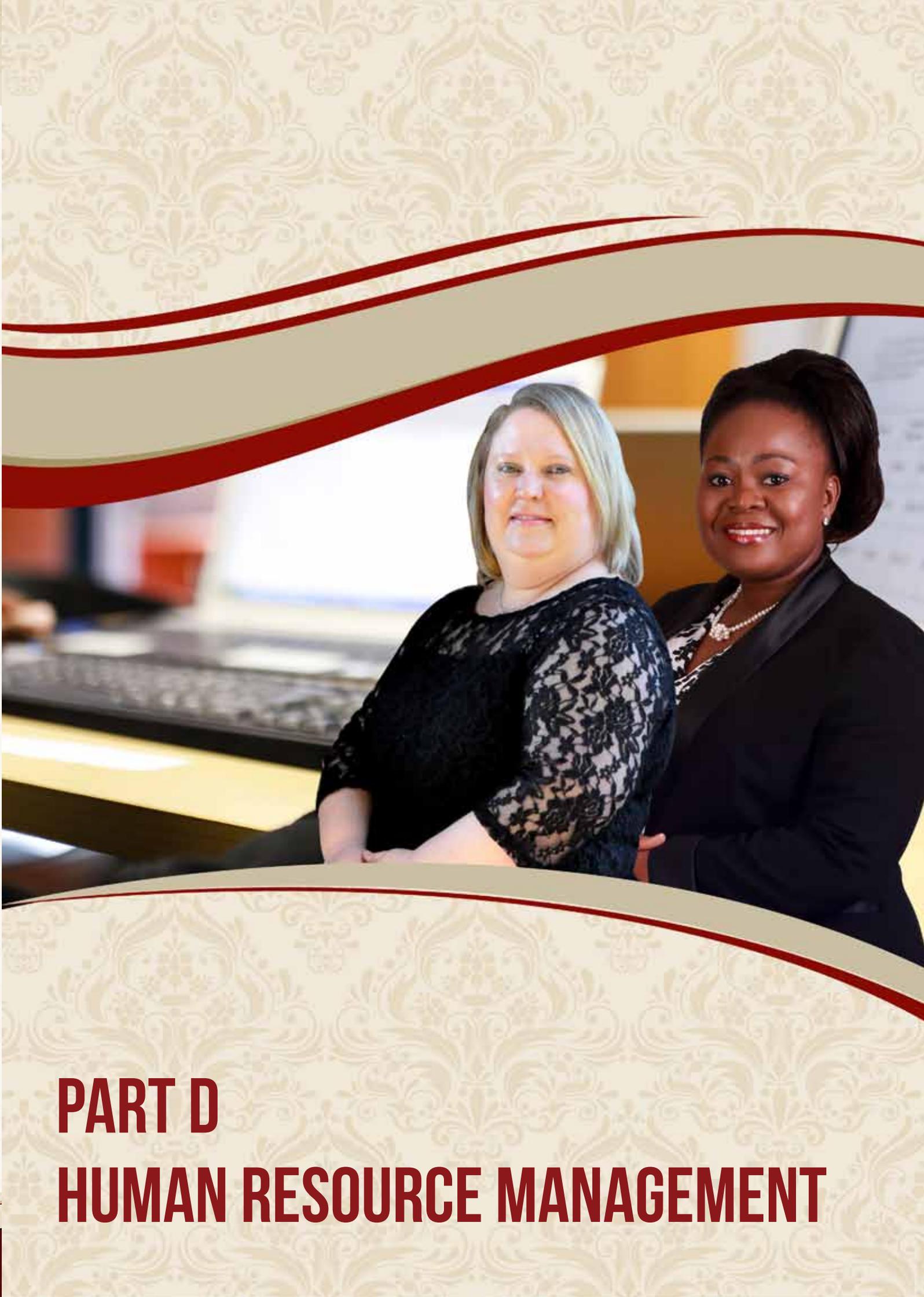
The Audit and Risk Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General of South Africa.

Appreciation

The Committee wishes to acknowledge the dedication and hard work performed by the Accounting Authority, other Governance Structures, NCT Management and Officials. The Audit and Risk Committee wishes to express its appreciation to the Management of the NCT, the AGSA and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr Ameen Amod
Chairperson of the Audit & Risk Committee
National Consumer Tribunal
04 August 2016



PART D
HUMAN RESOURCE MANAGEMENT

INTRODUCTION

Overview of HR matters

During the reporting period, the Human Resources of the NCT faced many challenges due to the persistent and high increase in its caseload and its difficulty in recruiting appropriate persons in certain roles within the Tribunal and having to go out for recruitment for one role more than two times. This brought additional pressure to bear on staff and Tribunal members to continue to achieve all the applicable targets as set out in the NCT's Business Plan. Change management initiatives though implemented to embrace the introduction of the Case Management System, suffered as result of these factors.

The NCT continued to appoint and train young South Africans through its Internship Programme and contingent employee pool during this performance period. Both these programmes run over a period of one year, the difference being that the Internship is for qualified graduates and requires full-time participation for that period. The Contingency Pool programme, on the other hand, also allows for those who are still studying towards their qualifications in tertiary institutions to provide ad hoc assistance during peak periods as and when the need arises. In both programmes, participants receive on-the-job training and skills are developed that will equip the participants with marketable skills and experience to utilise in the sourcing of future employment opportunities. The NCT furthermore serves as a reputable contactable reference for participants.

During the reporting period, the NCT utilised a total of 30 students at various periods as part of the Contingency Pool programme. Two legal interns were also appointed.

A process was further commenced to establish an Employee Representative Forum and staff nominated their chosen representatives for this newly established forum to commence operations after the reporting period.

Lastly, the NCT participated in a Presidential Remuneration review conducted by the Presidential Remuneration Review Commission as appointed by the President.

HR priorities for the year and its impact

The HR priorities were set based on the strategic goals identified for HR in line with the NCT's strategic priorities. The achievement of these goals are discussed on page 74 of this report under "Human Resources and Facilities Management"

Workforce Planning Framework

The NCT does not currently have an approved workforce planning framework and will develop such a framework for future reporting periods. Currently, the NCT plans its workforce as part of its strategic planning process, taking into consideration its mandate, commitments, available financial resources as well as anticipated number of cases expected to be filed.

The NCT's structure ring-fences specific business functions, which are directly impacted by growth and variability in the demand for its' services. These include the case and records management and adjudication functions.

To assist with spikes in the caseload, which requires capacity beyond that of its permanent staff, the NCT employs a pool of contingent employees on one-year contracts. It also manages an Internship Programme. This is a mutually beneficial arrangement, in that the young people who participate in the Internship Programme and the Contingent Employee pool obtain valuable on-the-job experience and a valuable reference to utilise for future employment opportunities. Similarly, the NCT benefits, as these young people assist its' permanent staff members in dealing with the demands and spikes of its caseload.

“ THE HR PRIORITIES WERE SET BASED ON THE STRATEGIC GOALS IDENTIFIED FOR HR IN LINE WITH THE NCT'S STRATEGIC PRIORITIES. ”



Employee Performance Management Framework

The NCT's performance management process can be illustrated as follows:



Performance management of Tribunal Members and staff is vital to the success of the NCT as a whole, and both staff members and Tribunal Members operate in terms of performance agreements and, accordingly, have a clear understanding of their individual key performance areas (KPAs) and KPIs. In this way, the NCT ensures that the risk of not meeting its performance targets is minimised. Certain challenges were however identified in the performance management system, namely that in some instances the performance agreements are too long and complex, resulting in the dilution of key KPIs. A review of the performance agreements will be embarked on in the next performance period to ensure that they refined to address the challenges identified.

The performance of Tribunal Members and staff is measured in accordance with the Performance Management Policy and Procedures and is linked with the Strategy, APP and Business Plan.

The NCT follows a risk-sharing model in terms of which 30% of an employee's final performance rating is determined based on overall organisational performance and 70% is determined based on the employee's individual performance. This model ensures that the organisation as a whole is accountable for achieving the performance targets set for the year. During the performance

assessment process, each staff member conducts a self-assessment and rating, and submits this, with supporting performance information, to their relevant manager. The information is then reviewed and performance discussions are held with individual staff members in finalising the scores.

The HR and Facilities Manager, in conjunction with the Office of the COO, conducts an independent valuation of the performance assessments and performance information on a sample basis to ensure it is reliable, valid and accurate and supports each KPI. Managers are then required to consider the issues raised in the reports, and to adjust the assessments accordingly in consultation with the relevant staff member before submission to the HR Governance Committee as the external moderator. The NCT has an appeal process in place should any staff member feel aggrieved by a performance rating by a manager. This rigorous process is followed to ensure that there is evidence to support the scores that are put forward and to ensure scoring is non-discriminatory and consistent across the NCT.

During the reporting period, the performance information provided by two employees as well as their direct manager was put out for external review. As at 31 March 2016, the review was still

ongoing and the results will be communicated under the 2016/17 reporting period.

Employee wellness programmes

Due to the sharp and rapid increase in the Tribunal's case load experienced during the past financial, it became critical to focus on employee wellness. The NCT, however, does not currently have a specific employee wellness programmes in place due to costs and financial restraints. Wellness-related matters are addressed on a case-by-case basis. Several wellness events discussed below, however, took place during the year.

- Induction sessions with NCT staff and Management – to ensure that NCT employees are appropriately inducted and to assist with quicker settling into the NCT culture.
- Coaching sessions of the management team, which contributed to better employee relations.
- "Finding Your Voice" staff alignment session to assist with improving communication between staff and management.
- Wellness Day – during which wellness in the workplace was encouraged together with accountability for own health by undergoing health tests to identify areas which may require attention.

It was therefore identified that the following be addressed in 2016/17:

- The establishment of a safe internal structure for collective engagement and the building of sound and productive workplace relationships, in consultation with representatives elected by staff;
- Improved internal communication inclusive of the development of a year plan focused on segmented internal audiences and an internal handbook to guide such communications;
- Change enablement in support of capacitating the adoption of ICT Systems, motion courts and other innovated approached to work;
- Targeted organisational development interventions in support of building trust between people at the NCT, culture shaping and building.

Policy development

Various HR policies and procedures were reviewed during the year, including the Total Rewards Policy, Recruitment Policy, Performance Management Policy, Leave Policy and Succession Planning policy. Particular attention was paid to the relevance of these policies within the current operating environment, Legislative Framework and provisions relating to fairness and consistency. The HR Strategy and Plan were also aligned with the current NCT Strategy and Business Plan.

Achievements and challenges faced

Two key performance indicators were set for the HR Unit on the organisational scorecard, namely to ensure that the NCT has adequate human resources to fulfil its mandate and secondly to contribute to youth employment. The HR Unit over achieved the targets set for both these objectives. Targeted staff coaching sessions

and staff wellness initiatives assisted NCT employees with improved communication with management as well as accountability for own health and performance in a highly driven and high performance environment, necessitated by the high number of cases filed with the Tribunal. These interventions furthermore assisted staff with coping mechanisms within the environment created.

The NCT experienced serious management challenges during the reporting period with the ACOO and COO requiring two (2) managers (EXCO members) to be placed on performance improvement due to poor performance during the reporting period. One manager resigned during quarter 4. Another manager was issued with a final written warning after several engagements regarding her performance failed to yield positive results and improvement. The increasing caseload resulted in an increased utilisation of contingent employees and whilst the pool of professionals assist the Tribunal to deal with its caseload, it also increased the supervisory burden on permanent staff to off-set the increased risks of poor case management and incorrect data capturing on the CMS and increases the Tribunal's requirements for office space. With the persistent increase in case load there is also an increased need for adjudicative capacity i.e. additional Tribunal members.

As a result of the challenges faced with regards to poor performance, the HR Unit had challenges in delivering on the commitments made in its business plan. These were addressed by the COO moving the critical commitments and tasks forward. The outstanding items will be prioritised in the next reporting period, to ensure that critical HR interventions are in place and that the overall HR practises of the Tribunal improves.

Future HR plans/goals

During the reported period, a sharp increase in the NCT's caseload was experienced which accelerated the need for increased staff which had a direct impact on the available workspace in the NCT offices. In light of the changing operational needs, HR goals were updated as follows for the 2016/17 financial period:

- To attract, develop and retain the right people to ensure the right skills in the right place at the right time to deliver on the NCT's mandate
- To develop an enabling framework and working environment that optimises the potential for employee engagement and wellness
- To anticipate future business and environmental demands on the NCT and to provide Human Resource capacity to satisfy those demands and fulfil the NCT's mandate
- To shape a values-based culture that champions high performance and service excellence
- To establish effective and efficient HR Administration to facilitate and inform accurate HR data and reporting

In order to achieve the above goals, the HR unit will focus on the following projects during 2016/17, some of which will be discussed in further detail below:

- The introduction of structured induction and on-boarding programmes for new employees, supported by e-learning;
- Structured process of learning inclusive of Tribunal Member capacity building and coaching for managers and select

- employees;
- HR Administration;
- Effective project management;
- Internal communication;

- Change enablement management; and
 - Workforce planning and strategic sourcing.
- The HR Unit will, furthermore, be focusing on structured induction and on-boarding for the new NCT Leadership and Tribunal Members:

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme

Programme	Total expenditure	Personnel expenditure	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Adjudication	16 879	11 158	66.11%	27	413
Administration	25 223	12 826	50.85%	20	641
Total	42 102	23 984	56.97%	47	510

* Note: Weighted average utilised as some personnel have both an adjudicative as well as an administrative function. In addition, interns and contingent employees included in figures provided pro-rated.

Personnel cost by salary band

Level	Personnel expenditure	% of personnel expenditure to total personnel cost	No. of employees	Average personnel cost per employee
(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Top management	2 129	8.88%	1	2 129
Senior management	9 757	40.68%	7	1 394
Professional qualified	5 286	22.04%	9	587
Skilled	5 366	22.37%	20	268
Semi-skilled	1 164	4.85%	8	146
Unskilled	282	1.18%	2	141
Total	23 984	100.00%	47	510

Performance rewards

Programme	Performance rewards	Personnel expenditure	% of performance rewards to total personnel costs
		(R'000)	(R'000)
Top management	313	2 129	14.70%
Senior management	1 190	9 757	12.19%
Professional qualified	196	5 286	3.71%
Skilled	547	5 366	10.19%
Semi-skilled	-	1 164	-
Unskilled	42	282	14.89%

Training costs

Directorate/business unit	Personnel expenditure	Training expenditure	Training expenditure as % of personnel cost	No. of employees trained	Average training cost per employee
	(R'000)	(R'000)			
Adjudication	11 158	140	1.25%	19	7 368
Administration	12 826	176	1.37%	17	10 353
Total	23 984	316	1.32%	36	8 778

Employment and vacancies

Programme	2014/15 no. of employees	2015/16 approved posts	2015/16 no. of employees	2015/16 vacancies	% of vacancies
Staffing and recruitment	36	41	35	6	11.08%
Total	36	41	35	6	11.08%

*Note: Figures are provided for the organisation as a whole, as it is not possible to report per programme, as some employees, due to the size of the organisation, have both an adjudication as well as an administrative function.

Salary band	2014/15 no. of employees	2015/16 approved posts	2015/16 no. of employees	2015/16 vacancies	% of vacancies
Top management	1	1	1	0	0%
Senior management	7	7	6	1	13,3%
Professional qualified	4	6	6	0	0%
Skilled	5	6	4	2	33,3%
Semi-skilled	17	19	16	3	15,8%
Unskilled	2	2	2	0	0%
Total	36	41	35	6	11.08%

Note: This information pertains only to permanent employees. Interns, who join the NCT through the one-year Internship Programme, are not included.



HR Governance Committee
Ms F Manamela, Ms C Selepe, Ms D Terblanche,
Ms S Paruk, Mr J Maseko

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Internal transfer out of band	Employment at end of the period
Top management	1	0	0	0	1
Senior management	7	0	1	0	6
Professional qualified	4	2	0	0	6
Skilled	5	1	1	1	4
Semi-skilled	17	3	3	1	16
Unskilled	2	0	0	0	2
Total	36	6	5	2	35

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	–	–
Resignation	5	100%
Dismissal	–	–
Retirement	–	–
Ill health	–	–
Expiry of contract	–	–
Other	–	–
Total	5	100%

Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	-
Final written warning	2
Dismissal	-

Equity target and employment equity status

Although the NCT is not required to report in terms of the Employment Equity Act, Act No. 55 of 1998, it supports and is committed to the principles of employment equity. The NCT also employs a workforce with a 60% female and 40% male ratio.

As at 31/3/2016

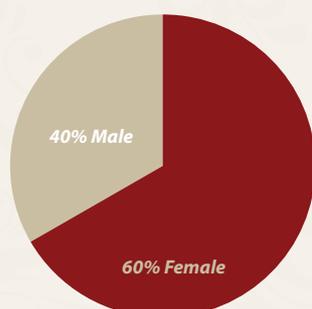
Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	-	0	-	0	-	0	-
Senior management	1	-	0	-	0	-	2	-
Professional qualified	2	-	0	-	2	-	0	-
Skilled	1	-	0	-	0	-	0	-
Semi-skilled	4	-	0	-	0	-	0	-
Unskilled	0	-	0	-	0	-	0	-
Total	8	-	0	-	2	-	2	-

As at 31/3/2016

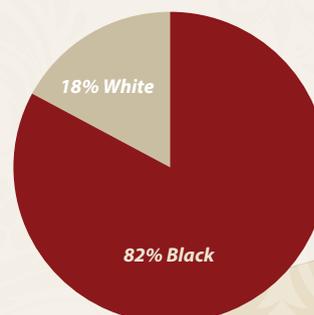
Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	-	1	-	0	-	0	-
Senior management	0	-	0	-	1	-	2	-
Professional qualified	0	-	0	-	0	-	1	-
Skilled	2	-	0	-	1	-	0	-
Semi-skilled	10	-	0	-	0	-	0	-
Unskilled	2	-	0	-	0	-	0	-
Total	14	-	1	-	2	-	3	-

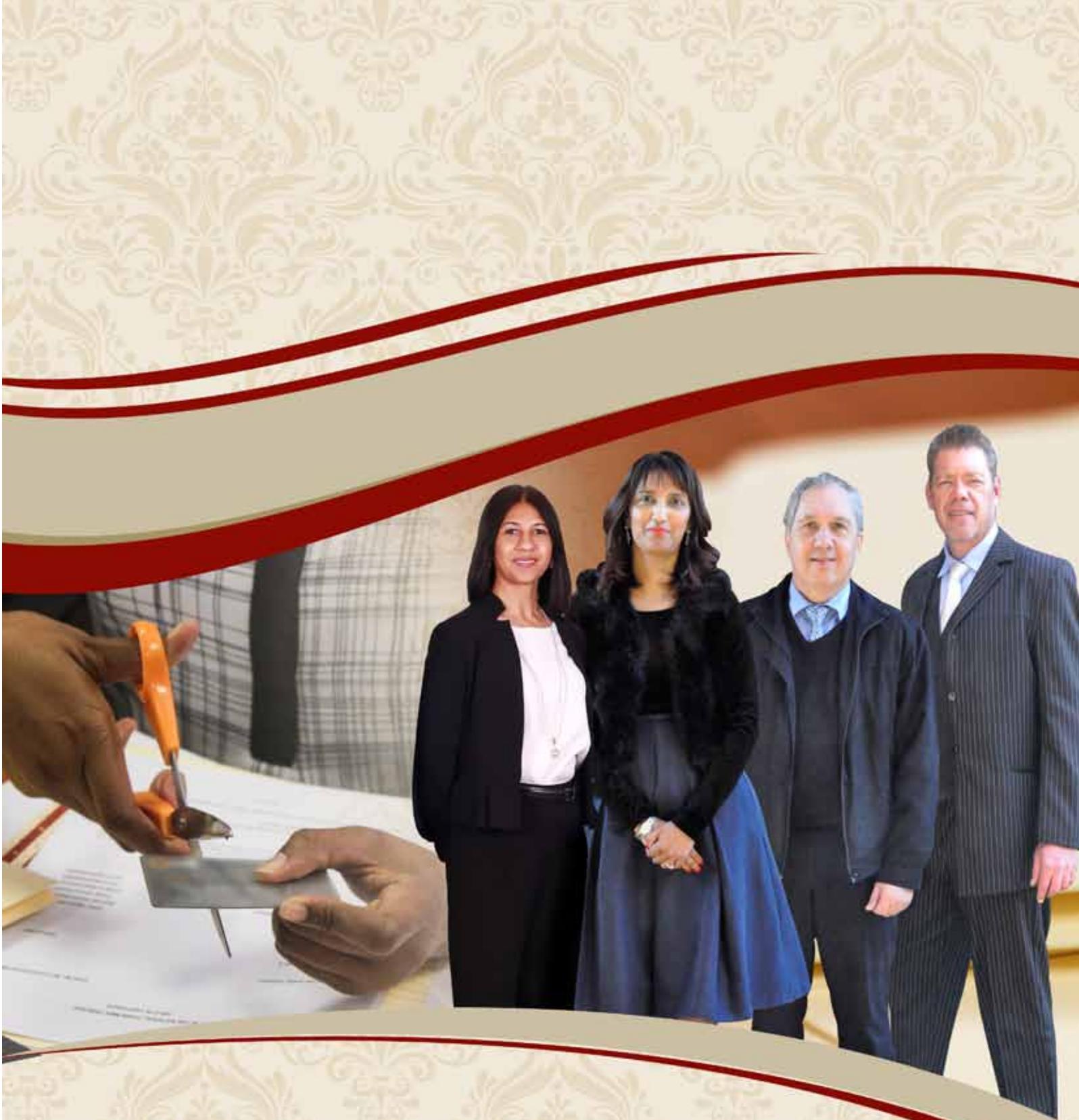
Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	-	0	-
Senior management	0	-	0	-
Professional qualified	0	-	0	-
Skilled	0	-	0	-
Semi-skilled	0	-	0	-
Unskilled	0	-	0	-
Total	0	-	0	-

Gender



Race





PART E

FINANCIAL INFORMATION

NATIONAL CONSUMER TRIBUNAL ANNUAL FINANCIAL STATEMENTS
31 MARCH 2016

REPORT OF ACCOUNTING AUTHORITY

1. Purpose of this report

This report is presented in terms of Treasury Regulation 28.1.1 as was issued in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999. The Executive Chairperson of the National Consumer Tribunal (NCT) as appointed by the Minister of Trade and Industry is also the Accounting Authority of the NCT.

2. Nature of business

The NCT is an independent adjudicative entity. It derives its mandate from the National Credit Act (NCA), Act No. 34 of 2005. This mandate was expanded in 2008 to include adjudication on matters arising from the Consumer Protection Act (CPA), Act No. 68 of 2008.

3. Financial overview

The NCT is confident that it has fulfilled its mandate and has used its funding in an efficient and cost-effective manner. The full Annual Financial Statements for the year are presented on page 86 to 128, and are summarised as follows:

	2015/2016	2014/2015
Total revenue	R49 732 475	R42 117 564
Total expenditure	R42 051 878	R39 295 120
Finance costs	R50 341	R53 398
Net surplus	R7 630 256	R2 769 046
Total assets	R23 345 854	R13 868 139
Total liabilities	R8 438 880	R6 591 421
Net assets	R14 906 974	R7 276 718

In the period under review, the NCT received a grant of R46 029 000 from **the dti**, which represents an increase of 14.60% (2014/15: 11.26%) over the previous year's grant of R40 164 000. This ensured that the NCT was in a position to fulfil its mandate, as the grant makes up 92.55% of its total revenue (2014/15: 95.36%).

Income from filing fees, included in total revenue, increased by 140.53% (2014/15: 71.89%) over the previous year, namely from R903 100 to R2 172 200. This is attributed to the increased number of cases received (18 459 compared to 9 589 in 2014/15; an increase of 92.50%) as well as a filing fee increase from R100 to R200 per debt rearrangement agreement matter that became effective on 4 February 2016. The increase in the filing fees does not offset the increase in adjudication costs as the filing fee is only a nominal amount of R200 (R100 previously) for debt rearrangement agreement matters filed with the NCT and do not contribute towards the more expensive and time consuming non-debt rearrangement matters. Due to the small number of cases filed with the NCT it is clear that the full impact of the National Credit Amendment Act of 2014 that became effective on 13 March 2015 has also not been realised as yet.

National Treasury permitted the NCT to retain its surplus funds of R7 276 718 accumulated from the preceding financial year. The accumulated surplus at the end of this reporting period is R14 906 974. The increase is due mainly to adjudication costs being lower than anticipated due to the implementation of the motion courts that has resulted in part-time Tribunal members now being paid for

REPORT OF ACCOUNTING AUTHORITY (continued)

adjudicating on approximately 32 debt rearrangement agreement matters per day instead of 8 as previously budgeted for. There is also a backlog in matters to be finalised due to the teething problems that were experienced with the implementation of the case management system and managerial problems experienced with matters not being set down/processed to be heard/adjudicated on. Cases were also grouped together to be heard on the same day where possible (refer to Note 14.1 and Note 18.5 in the Annual Financial Statements for more detail). Employee related costs were also lower than what was anticipated due to positions that were vacant during the year (refer to Note 18.6 in the Annual Financial Statements for more detail). Administrative expenses were lower than anticipated due to prudent cost management and the implementation of cost saving initiatives (refer to Note 18.4 in the Annual Financial Statements for more detail). The accumulated surplus at the end of March 2012 amounting to R3.49 million has been dedicated for renovation of the NCT's offices and the development of a case management system. The NCT spent R1.65 million on the renovation of its offices and R408 484 on the development of the case management system during the current financial year. Both these projects were still ongoing as at 31 March 2016 (refer to Note 2; Note 3 and Note 28 in the Annual Financial Statements for more detail).

The NCT's income from interest earned increased by 40.62% (2014/15: 25.20%) from R1 047 833 to R1 473 488. This is as a result of its increased grant, a higher average balance in the investment account due to lower spending on adjudication costs as was already indicated earlier in this report as well as the NCT's prudent cash flow management. The NCT invests its surplus funds with the Corporation for Public Deposits in terms of its Investment and Grant Management Policy. Please refer to Note 18.3 in the Annual Financial Statements for more detail.

Total expenses for the year increased by 7.02% (2014/15: 1.03%) from R39 295 120 to R42 051 878. The key drivers are set out below in this report.

Administrative expenses decreased by R364 088 (7.76%) from R4 689 927 to R4 325 839. This can mainly be attributed to computer expenses and software licences (due to ICT support that was done in-house by ICT staff); internal audit and secretarial services (due to the roll-over of internal audits to the previous financial year not conducted in the financial year preceding that year); printing, stationery and publications (due to the digitisation of case records) and training, bursaries and staff development (due to the external coaching program for staff that was implemented and largely completed in the previous financial year). There were significant increases though in venues and facilities for workshops and meetings (due to the implementation of motion courts throughout South Africa and the offices not always being available when the renovations took place) that offset the impact of the decreases mentioned above. Please refer to Note 11.1 and Note 18.4 in the Annual Financial Statements for more detail.

Other operating expenses increased by R933 477 (11.99%) from R7 786 156 to R8 719 633. This can mainly be attributed to depreciation (due to the higher asset values) and travel and accommodation (due to the implementation of motion courts throughout South Africa). Please refer to Note 12.1 in the Annual Financial Statements for more detail.

Employee-related expenses increased by R3 806 068 (18.86%) from R20 178 007 to R23 984 075. This is as a result of the increase in the staff structure as well as a number of positions that were filled during the year under review and which were vacant during the previous financial year. A cost of living adjustment was also implemented effectively from 1 July 2015.

Although there has been an increase of 92.50% in the caseload, the fees paid to part-time Tribunal members has decreased by 27.74% from R5 804 335 to R4 194 238. This can mainly be attributed to the implementation of the motion courts, the grouping of hearings to take place on the same day and the backlog in matters to be finalised or not set down to be heard as was already indicated above. Please refer to Note 14.1 and Note 18.5 in the Annual Financial Statements for more detail.

The costs relating to part-time Tribunal members for adjudication and other support services together with employee related costs for support to the Tribunal as well as adjudication by the Executive Chairperson and the fulltime Tribunal members, comprise 67.01% (2014/15: 66.12%) of the total expenses of the NCT. As a professional service organisation that fulfils an adjudicative function it is expected that this ratio should be

REPORT OF ACCOUNTING AUTHORITY (continued)

high. It also means that other costs incurred to support the employees and the Tribunal members comprise less than 40% of total expenditure. These ratios have changed slightly from year to year despite the sharp increase in the case numbers. It needs to be noted though that there is a lag period since a case is filed with the NCT until a part-time Tribunal member is paid for adjudication services. Although this situation will occur from year to year, the impact of cases filed in the current financial year to be paid for in the next financial year will be larger than in the past due to the high influx of cases shortly before year-end compared to previous years as well as the backlog in cases to be adjudicated on as was mentioned earlier in this report. The cases filed with the NCT during the last two months of the current financial year amounted to 4 183 cases compared to the 1 989 cases filed during the comparable period of the previous financial year. At 11 091 pending cases on 31 March 2016, this is almost four times more than the 2 913 cases carried forward from the previous financial year.

It is recognised that the NCT's cost of statutory compliance, albeit reducing, year-on-year as it is maturing, is still high in comparison to its size and total revenue. The cost of compliance in respect of the internal audit function, the Audit and Risk Committee and external audit fees amounted to R1 930 279 (2014/15: R2 202 705). This is equal to 4.59% of the total expenditure of the NCT for the current financial year and is slightly lower than the 5.61% applicable for the 2014/15 financial year. The NCT has appointed the minimum required number of members to the Audit and Risk Committee namely three members.

The NCT is constantly looking for cost saving opportunities and efficiency gains to ensure that it will be able to fund the anticipated increase in the caseload. During the year under review the NCT, as was mentioned earlier in this report, has implemented motion courts to deal with the debt rearrangement agreement matters. This has resulted in part-time Tribunal members now being paid for adjudicating around 32 debt rearrangement agreement matters per day instead of 8 as was previously accounted for. Although there are added travelling and accommodation expenses, the net saving is more than 50% compared to what was previously paid for. Through this process the NCT has also improved its service delivery and visibility by getting to its stakeholders in different locations throughout South Africa. Debt rearrangement agreement matters are no longer assessed when it is filed with the NCT. These assessments now take place at the motion courts and debt counsellors are then given the opportunity to rectify any incomplete filings at the motion court. This has resulted in efficiency gains being realised and the improvement of stakeholder relations.

4. Materiality framework

Material facts of a quantitative nature are facts that exceed the materiality framework and are disclosed if discovered. The Tribunal's materiality level remains unchanged at 0.60% of its budgeted operational expenditure (excluding capital expenditure).

5. Financial assistance from the State

The Tribunal received no financial assistance from the state, other than its grant as mentioned previously. The state also made no commitments on behalf of the NCT.

6. Supply chain management

The NCT's procurement policies are in line with the PFMA, the Treasury Regulations and the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.

7. Losses written off

The losses written off are for IT equipment amounting to R34 799 as disclosed in Note 2 to the Annual Financial Statements. This write-off mainly relates to IT equipment that was lost or stolen and which is still in the process of being recovered from insurance (or which could not be recovered from the insurance fund). The NCT has also donated old computer equipment in terms of the Treasury Regulations that was not fully depreciated as yet to a Government school.

REPORT OF ACCOUNTING AUTHORITY (continued)

8. Fruitless and wasteful expenditure

There was no fruitless and wasteful expenditure during the year under review.

9. Irregular expenditure

There was no irregular expenditure during the year under review.

10. Material losses through criminal conduct

There were no material losses through criminal conduct.

11. Criminal and disciplinary action taken against offenders

No offences were committed and there was therefore no need to take any criminal or disciplinary action in this regard.

12. Events subsequent to the reporting date

Management is not aware of any matter or circumstances as at the end of the financial year, not otherwise dealt with in the annual financial statements, that significantly affects the financial position of the National Consumer Tribunal or the results of its operations.

13. Audit report matters in the previous year

No audit matters were raised during the audit of the previous financial year that the NCT had to address during the current financial year.

14. Going concern outlook

The Accounting Authority is confident that the NCT will continue as a going concern for the next financial year due to the grant allocation already made available and the surplus funds carried over to that financial year.



D Terblanche

*Executive Chairperson and Accounting
Authority*

31 May 2016

National Consumer Tribunal - Annual Financial Statements

REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT ON THE NATIONAL CONSUMER TRIBUNAL

Report on the financial statements

Introduction

1. I have audited the financial statements of the National Consumer Tribunal set out on pages 86 to 128, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Consumer Tribunal as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

National Consumer Tribunal - Annual Financial Statements

REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT ON THE NATIONAL CONSUMER TRIBUNAL (continued)

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following programmes presented in the annual performance report of the National Consumer Tribunal for the year ended 31 March 2016
 - Adjudication on pages 26
 - Administration on pages 46
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:
 - Adjudication on pages 26
 - Administration on pages 46

Achievement of planned targets

13. Refer to the annual performance report on page(s) 26 and 46 for information on the achievement of the planned targets for the year.

Compliance with legislation

14. I performed procedures to obtain evidence that the National Consumer Tribunal had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

15. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
29 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

National Consumer Tribunal - Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

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National Consumer Tribunal - Annual Financial Statements

GENERAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2016

Nature of business and principal activities	The National Consumer Tribunal (NCT) was established in terms of the National Credit Act (Act 34 of 2005). From 1 April 2011 its mandate increased to also include adjudication on matters in terms of the Consumer Protection Act (Act 68 of 2008). It is an independent body that is responsible for hearing and deciding on cases involving consumers, credit providers, debt counsellors and credit bureaux and providers of goods and services. It is also responsible for reviewing decisions made by the National Credit Regulator and the National Consumer Commission.
Accounting Authority	DR Terblanche (Executive Chairperson of the Tribunal)
Part-time Tribunal members for 2015/16	BC Dumisa (Deputy Chairperson) PA Beck L Best YT Carrim FK Manamela JM Maseko X May HFN Sephoti FK Sibanda T Woker
Fulltime Tribunal members for 2015/16	HV Devraj JR Simpson
Key management for 2015/16	M Bosch (Chief Operating Officer) A Burger (Registrar) CM Selepe (Human Resources and Facilities Manager) BX Nomvete (ICT Manager) WP Strauss (Chief Financial Officer)
Registered office	Block B, Ground Floor Lakefield Office Park 272 West Avenue Centurion 0157
Business address	Block B, Ground Floor Lakefield Office Park 272 West Avenue Centurion 0157
Postal address	Private Bag X110 Centurion 0046
Bankers	Nedbank Ltd South African Reserve Bank

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2016

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is its responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the NCT as at the end of the financial year and the results of its operations and cash-flows for the period then ended, in conformity with South African Statements of Generally Recognised Accounting Practices (GRAP). The external auditors are engaged to express an independent opinion on the Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with GRAP and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal control established by the NCT and places considerable importance on maintaining a strong control environment. To enable the NCT to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These internal control 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 internal controls are monitored throughout the NCT and all employees are required to maintain the highest ethical standards in ensuring the NCT's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the NCT is on identifying, assessing, managing and monitoring all known forms of risk across the NCT. While operational risk cannot be fully eliminated, the NCT endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by Management, the Accounting Authority is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal control can provide only reasonable and not absolute assurance against material misstatement or loss.

The Annual Financial Statements, which have been prepared on the going concern basis, were approved and signed on its behalf:



D Terblanche
Executive Chairperson and Accounting Authority
31 May 2016



M Bosch
Chief Operating Officer
31 May 2016



WP Strauss
Chief Financial Officer
31 May 2016

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 March 2016 R	31 March 2015 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	3 788 361	2 505 645
Intangible assets	3	762 077	565 452
Current assets			
Inventory	4	49 438	26 458
Trade and other receivables from exchange transactions	5	995 716	117 641
Cash and cash equivalents	6	17 750 262	10 652 943
Total assets		23 345 854	13 868 139
LIABILITIES			
Non-current liabilities			
Long-term portion – Finance lease obligations	7	56 033	217 667
Current liabilities			
Trade and other payables from exchange transactions	8	5 371 232	3 851 230
Short-term portion – Finance lease obligation	7	161 864	158 001
Provisions	9	2 849 751	2 364 523
Total liabilities		8 438 880	6 591 421
NET ASSETS		14 906 974	7 276 718
NET ASSETS			
Accumulated surplus	28	14 906 974	7 276 718

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

		31 March 2016	31 March 2015
	Note	R	R
Total revenue	10	49 732 475	42 117 564
Total expenses		42 051 878	39 295 120
Administrative expenses	11	4 325 839	4 689 927
Other operating expenses	12	8 719 633	7 786 156
Audit fees	13	828 093	836 695
Tribunal Members' fees	14	4 194 238	5 804 335
Employee-related costs	15	23 984 075	20 178 007
Operating surplus		7 680 597	2 822 444
Finance costs	16	50 341	53 398
Net surplus for the year		7 630 256	2 769 046

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated surplus R	Total net assets R
Balance as at 1 April 2014	4 507 672	4 507 672
Net surplus for the year	2 769 046	2 769 046
Balance as at 31 March 2015	7 276 718	7 276 718
Net surplus for the year	7 630 256	7 630 256
Balance as at 31 March 2016	14 906 974	14 906 974

National Consumer Tribunal - Annual Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	31 March 2016 R	31 March 2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		49 806 475	42 159 864
Government grants		46 029 000	40 164 000
Filing fees		2 246 200	945 400
Service fees		2 366	2 631
Other receipts – Insurance claims and refund of equipment rentals		55 421	-
Interest received		1 473 488	1 047 833
Payments		(39 906 508)	(38 036 434)
Tribunal Members' fees		(4 387 080)	(5 528 899)
Employee-related costs		(22 835 592)	(19 609 933)
Suppliers		(12 683 836)	(12 897 602)
Net cash flows from operating activities	17	9 899 967	4 123 430
CASH FLOWS FROM INVESTING ACTIVITIES			
		(2 594 536)	(1 708 237)
Additions to property, plant and equipment		(2 140 862)	(1 352 188)
Additions to intangible assets		(453 674)	(356 049)
CASH FLOWS FROM FINANCING ACTIVITIES			
		(208 112)	(194 628)
Finance lease payments		(208 112)	(194 628)
Net increase in cash and cash equivalents		7 097 319	2 220 565
Cash and cash equivalents at beginning of year		10 652 943	8 432 378
Cash and cash equivalents at end of year	6	17 750 262	10 652 943

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 31 MARCH 2016

	Note	Accrual-based approved budget (before transfers) R	Transfers between budget line items for the year ended on 31 March 2016 R	Accrual-based final budget (after transfers) R	Actual amounts on comparable basis with final budget R	Difference between final budget and actual amounts R
REVENUE						
Income from non-exchange transactions		43 029 000	-	43 029 000	43 029 000	-
Additional funding required	18.1	4 960 000	-	4 960 000	3 000 000	1 960 000
Income from exchange transactions	18.2	1 259 800	-	1 259 800	2 229 987	(970 187)
Interest received	18.3	582 059	-	582 059	1 473 488	(891 429)
Total revenue		49 830 859	-	49 830 859	49 732 475	98 384
EXPENSES						
Administrative expenses	18.4	5 287 886	-	5 287 886	4 325 839	962 047
Other operating expenses		7 207 373	-	7 207 373	7 350 650	(143 277)
Audit fees		693 000	-	693 000	828 093	(135 093)
Tribunal Members' costs	18.5	9 261 210	-	9 261 210	4 194 238	5 066 972
Employee-related costs	18.6	26 351 390	-	26 351 390	23 444 229	2 907 161
Finance costs		300 000	-	300 000	208 112	91 888
Capital expenditure	18.7	730 000	-	730 000	2 594 536	(1 864 536)
Total expenses		49 830 859	-	49 830 859	42 945 697	6 885 162
Surplus for the period		-	-	-	6 786 778	(6 786 778)

National Consumer Tribunal - Annual Financial Statements

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 31 MARCH 2016 (continued)

RECONCILIATION OF SURPLUS FOR THE PERIOD WITH THE SURPLUS IN THE STATEMENT OF FINANCIAL PERFORMANCE

		Adjustment of actual amounts to comparable basis with final budget
		R
Net surplus per the Statement of Financial Performance		7 630 256
Adjusted for:	Activity	
Assets written off	Operating	34 799
Amortisation	Operating	257 049
Depreciation	Operating	823 347
Lease rentals on premises and parking – Straight-line adjustment	Operating	253 788
Finance costs on leases	Financing	50 341
Finance lease payments	Financing	(208 112)
Movement in accrual for leave pay – Employee related costs	Operating	539 846
Capital assets purchased	Investing	(2 594 536)
Difference between Final Budget and Actual Amounts		6 786 778

Note: All the adjustments relate to a difference in the basis of preparation. The budget for these items is prepared on the cash basis while the Statement of Financial Performance is prepared on the accrual basis. Also refer Note 17 for the reconciliation of net cash flows from operating activities with the surplus per the Statement of Financial Performance.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

1.1 Basis of preparation

"The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) and the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, including any interpretations, guidelines and directives issued by the Accounting Standards Board. The Annual Financial Statements have been prepared on a historic cost basis and the accounting policies are consistent with prior years. The amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the NCT. Unless otherwise stated, financial figures are presented to the nearest R1.

The GRAP Standards relevant to the NCT are listed below:

GRAP 1: Presentation of Financial Statements
GRAP 2: Cash Flow Statements
GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 9: Revenue from Exchange Transactions
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events After the Reporting Date
GRAP 17: Property, Plant and Equipment
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets
GRAP 21: Impairment of Non-cash-generating Assets
GRAP 23: Revenue from Non-exchange Transactions
GRAP 24: Presentation of Budget Information in Financial Statements
GRAP 25: Employee Benefits
GRAP 31: Intangible Assets
GRAP 104: Financial Instruments
IPSAS 20: Related Party Disclosures

The Cash Flow Statement was prepared in accordance with the direct method.

1.2 Significant judgements

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

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

1.2.1 Provisions

Provisions were raised and management determined estimates based on the information available. Additional disclosure of these estimates of provisions is included in Note 9 – Provisions.

1.2.2 Contingencies

Management used their judgement in deciding to reflect the surplus as a contingent liability based on past experience whereby the previous year's surplus was approved to be rolled over into the next financial year.

1.2.3 Property, plant and equipment

In determining the useful life and residual value of each category of property, plant and equipment, Management took into consideration the nature and use of each asset.

Leased office equipment and leasehold improvements are depreciated over the lease period with no residual value.

1.2.4 Intangible assets

In determining the useful life of computer software, Management took into consideration that the software will have to be upgraded from time to time. The residual value of computer software is regarded as zero due to the fact that computer software is not saleable.

1.3 Going concern

The Annual Financial Statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the year.

1.4 Related party transactions

Parties are considered to be related if a party has the ability to control the NCT or is able to exercise significant influence or joint control over the NCT in making financial and operating decisions. A related party transaction is a transfer of resources, services or obligations between related parties regardless of whether a price is charged.

1.5 Contingent liabilities

A contingent liability is disclosed in the Notes to the Annual Financial Statements when a possible obligation arises from past events, which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NCT. Each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and its possible financial effect, is disclosed.

1.6 Revenue recognition

1.6.1 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential received and receivable by the NCT which results in an increase in net assets. An exchange transaction is one in which the NCT receives assets or services, or has liabilities extinguished, and directly gives equal value to the other party in exchange.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

Filing fees:

Filing fees are recognised as revenue when the right to the revenue has been established. This is when an application is received.

Service fees:

Service fees are recognised as revenue when the right to the revenue has been established. This is when a payment is received for services to be rendered.

Investment income:

Investment income is recognised as it accrues using the effective interest rate method.

1.6.2 Revenue from non-exchange transactions

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

When the NCT receives resources as a result of a non-exchange transaction, it recognizes an asset and revenue when it is probable that the NCT will receive economic benefits or service potential and it can make a reliable measure of the resources transferred. Where the resources transferred to the NCT are subject to the fulfilment of specific conditions, it recognizes an asset and a corresponding liability as and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions comprise a grant from the Department of Trade and Industry and is recognised as revenue at the date of receipt.

1.7 Prepayments

The NCT may render payment for the delivery of goods or services in advance of the delivery of goods or the rendering of services when contractually obligated. In this instance such prepayment is recognised in the Statement of Financial Position as an asset when the payment is made, and is measured at the fair value of the consideration paid. The asset is expensed when delivery of the goods occurs or when the service is rendered.

1.8 Leasing

1.8.1 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under an operating lease are recognised as expenses in the Statement of Financial Performance on a straight line basis over the lease period.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

1.8.2 Finance leases

Finance leases, as per the Treasury Regulations, refers to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Assets held under finance leases and the corresponding liability, are recognised at their present value of the minimum lease payments at the date of acquisition. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the estimated present value of the assets acquired, are charged to the Statement of Financial Performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

1.9 Government grants

Government grants are recognised when it is probable that future economic benefits will flow to the NCT and when the amount of the grant can be measured reliably. Government grants are recognised as revenue to the extent that there is no further obligation arising from the receipt of the transfer payment. Grants are measured at the fair value of the transfer payment received.

1.10 Employee benefits

The cost of short-term employee benefits (those payable within twelve months after the service is rendered, such as paid vacation leave and performance bonuses), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement, or in the case of non-accumulating absences, when the absence occurs.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which it is incurred.

1.12 Property, plant and equipment

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the NCT. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. 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 entity; and
- the cost of fair value of the item can be measured reliably.

The NCT assesses the useful life and residual values of property, plant and equipment annually. The useful lives and residual values are estimated on an annual basis at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life as follows:

Property, plant and equipment	Average useful life
Furniture and fittings	15 years
Equipment	5 years
Computer equipment	5 years
Books	5 years
Signage	5 years
Leasehold improvements	Period of lease or until reconstruction
Leased equipment	Period of lease

The depreciation charge for each period is recognised in the Statement of Financial Performance.

1.13 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Expenditure on research is recognised as an expense when it is incurred. An intangible asset from development is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale; and
- There is an intention to use or sell it; and
- There is an ability to use or sell it; and
- It will generate probable future economic benefits; and
- The expenditure during the development phase can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and impairment losses. The amortisation period and method are reviewed every year-end.

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

Computer software	3 years
Software under development	Not amortised

1.14 Impairment of tangible and intangible assets

At each reporting date, the NCT reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. An asset is impaired when its recoverable amount is less than its carrying value. In this instance, the carrying value of the asset is reduced to its recoverable amount. This reduction is an impairment loss, which is recognised immediately in the Statement of Financial Performance. A reversal of an impairment loss of assets other than goodwill is recognised immediately in the Statement of Financial Performance.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

1.15 Inventories

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired. The carrying amount of inventories is recognised as an expense in the period that the inventory was distributed or consumed.

Inventories, consisting of consumable stores, are measured at the lower of cost and current replacement cost.

1.16 Financial instruments – Initial recognition

The NCT 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. Financial assets and financial liabilities are recognised on the Statement of Financial Position when the NCT becomes party to the contractual provisions of the instrument.

1.16.1 Financial assets

Financial assets are initially measured at fair value plus transaction costs. Financial instruments are measured through the surplus or the deficit for the year at fair value. The NCT's principal financial assets are trade and other receivables and cash and cash equivalents. These financial assets are classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category includes short-term receivables, such as receivables, as well as cash and cash equivalents.

Loans and receivables are initially measured at fair value, plus transaction costs. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and material interest income is included in the surplus or the deficit for the year. Net gains or losses represent gains and losses on de-recognition and are included in "other income" or "other expenses".

Short-term receivables with no stated rate are measured at the original invoice amount, if the effect of discounting is immaterial.

Impairment losses are recognised on loans and receivables when there is objective evidence of impairment. An impairment loss is recognised in the surplus or the deficit when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

1.16.2 Financial liabilities

The NCT's principal financial liabilities are trade and other payables and are classified as current liabilities.

Other financial liabilities are initially measured at fair value plus transaction costs. Subsequently, these items are measured at the amortised cost, using the effective interest rate method. Interest expenses on these items are measured at the amortised cost, using the effective interest rate method. Material interest expenses on these items are recognised in the surplus or the deficit for the year and they are included in "finance costs". Net gains or losses represent gains or losses on de-recognition and are included in "other income" or "other expenses".

Provision is made for leave pay and as it is set at 100% of all outstanding accumulated leave at reporting date, it is disclosed as an accrual under trade and other payables.

National Consumer Tribunal - Annual Financial Statements

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

1.17 Provisions

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

1.18 Cash and cash equivalent

Cash and cash equivalents are measured at fair value.

1.19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 Irregular expenditure

Irregular expenditure as defined in Section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with requirements of any applicable legislation, including National Treasury Practice Note 4 of 2008/2009 which was issued in terms of Sections 76(1) to 76(4) of the PFMA, which requires the following (effective from 1 April 2008):

- Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year-end and/or before finalisation of the financial statements, must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.
- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end, must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.
- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.
- Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority, must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Authority may write off the amount as bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable under law, the expenditure related thereto must remain against the relevant expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost/ Valuation	Accumulated depreciation	Carry value	Cost/ Valuation	Accumulated depreciation	Carry value
Furniture and fittings	1 238 475	(621 840)	616 635	1 224 835	(569 598)	655 237
Office equipment	181 437	(117 196)	64 241	173 169	(96 143)	77 026
IT equipment	2 335 573	(994 042)	1 341 531	2 337 723	(1 072 052)	1 265 671
Leasehold improvements	1 711 377	(177 270)	1 534 107	805 228	(718 460)	86 768
Books	217 314	(180 518)	36 796	216 184	(153 698)	62 486
Signage	33 315	(33 315)	-	33 315	(33 141)	174
Office equipment – Leased	489 694	(294 643)	195 051	489 695	(131 412)	358 283
Total	6 207 185	(2 418 824)	3 788 361	5 280 149	(2 774 504)	2 505 645

Reconciliation of property, plant and equipment - 2016	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	655 237	13 640	-	-	(52 242)	616 635
Office equipment	77 026	8 268	-	-	(21 053)	64 241
IT equipment	1 265 671	463 210	(34 799)	-	(352 551)	1 341 531
Leasehold improvements (refer to Note 2.1)	86 768	1 654 614	-	-	(207 275)	1 534 107
Books	62 486	1 130	-	-	(26 820)	36 796
Signage	174	-	-	-	(174)	-
Office equipment – Leased (refer to Note 2.2)	358 283	-	-	-	(163 232)	195 051
Total	2 505 645	2 140 862	(34 799)	-	(823 347)	3 788 361

Reconciliation of property, plant and equipment – 2015	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	384 367	309 499	-	-	(38 629)	655 237
Office equipment	98 672	1 938	-	-	(23 584)	77 026
IT equipment	556 908	983 649	(14 371)	-	(260 515)	1 265 671
Leasehold improvements (refer to Note 2.1)	37 760	56 763	-	-	(7 755)	86 768
Books	99 163	339	-	-	(37 016)	62 486
Signage	3 654	-	-	-	(3 480)	174
Office equipment – Leased (refer to Note 2.2)	283 165	276 505	-	-	(201 387)	358 283
Total	1 463 689	1 628 693	(14 371)	-	(572 366)	2 505 645

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2.1 INCREASE IN PROPERTY, PLANT AND EQUIPMENT

During the year under review the NCT implemented the space planning project and therefore made some improvements to the leased office building. Additions are disclosed after the tenant installation allowance of R515 080 was taken into account. The NCT has also procured ICT equipment by implementing the ICT procurement plan. Also refer to Note 18.7.

2.2 OFFICE EQUIPMENT – LEASED

Assets with a net carrying value of R 195 051. (2015: R358 283) are subject to finance leases as set out in Note 7.

2.3 RE-ASSESSMENT OF USEFUL LIVES

The useful lives and residual values of all the property, plant and equipment were assessed during the year under review. No change was made to the useful lives of any of the property, plant and equipment. Also refer to Note 22.

3. INTANGIBLE ASSETS

	2016			2015		
	Cost/ Valuation	Accumulated amortisa- tion/ impair- ments	Carry value	Cost/ Valuation	Accumulated amortisa- tion/ impair- ments	Carry value
Computer software – Internally generated	551 151	(47 556)	503 595	142 667	-	142 667
Computer software – Other (Refer Note 3.1)	1 049 520	(791 038)	258 482	1 276 043	(853 258)	422 785
Total	1 600 671	(838 594)	762 077	1 418 710	(853 258)	565 452

Reconciliation of intangible assets – 2016	Opening balance	Additions	Amortisation	Impairments	Transferred (to)/from software	Carry value
Computer software – Internally generated	142 667	408 484	(47 556)	-	-	503 595
Computer software – Other	422 785	45 190	(209 493)	-	-	258 482
Total	565 452	453 674	(257 049)	-	-	762 077

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets – 2015	Opening balance	Additions	Amortisation	Impairments	Transferred (to)/from software	Closing balance
Software under development – Internally generated	36 000	106 667	-	-	(142 667)	-
Computer software – Internally generated	-	-	-	-	142 667	142 667
Computer software – Other	363 849	249 382	(190 446)	-	-	422 785
Total	399 849	356 049	(190 446)	-	-	565 452

3.1 DERECOGNISED SOFTWARE

During the year under review the NCT derecognised old software that was not used anymore and which was deleted from its ICT equipment. The cost price and accumulated amortisation of this software amounted to R271 714 respectively.

3.2 RE-ASSESSMENT OF USEFUL LIVES

The useful lives of all intangible assets were assessed during the year under review. No change was made to the useful lives of intangible assets and no impairment was made.

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4. INVENTORIES

Stationery and consumables

49 438

26 458

49 438

26 458

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Debtors – Filing fees	11 300	8 300
Debtors – Payroll (UIF refunds and study loans)	73 069	-
Debtors – Legal fees refund	150 000	-
Debtors – Tenant installation allowance	515 080	-
Deposits – Rental of storage room	899	-
Prepayments – Insurance, license fees, rental, travelling, etc.	245 368	109 341
	995 716	117 641

6. CASH AND CASH EQUIVALENTS

Bank account – Notice deposit (SA Reserve Bank)	14 637 675	5 420 091
Bank account – Current account (Nedbank)	3 109 611	5 227 852
Cash on hand – Petty cash	2 976	5 000
	17 750 262	10 652 943

6.1 Bank account – Notice deposit

In terms of the NCT's investment policy, surplus funds are invested with the South African Reserve Bank in the Corporation for Public Deposits (CPD) Account. Interest was earned at an average rate of 6.32% (2015: 5.91%). Also refer to Note 10 and Note 18.3.

7. FINANCE LEASES – OFFICE EQUIPMENT

Minimum lease payments due

Technology Acceptances (Xerox Work Centres)	58 746	139 930
Canon Business Centre (PABX System and additions to the PABX System)	186 474	311 429
	245 220	451 359

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R	31 March 2015 R
7. FINANCE LEASES – OFFICE EQUIPMENT (continued)		
Summary of minimum lease payments due		
Payable within one year	186 405	207 728
Payable after one year	58 815	243 631
	245 220	451 359
Less: Future finance charges	(27 323)	(75 691)
Present value of minimum lease payments due	217 897	375 668
Current liabilities	161 864	158 001
Non-current liabilities	56 033	217 667
Present value of minimum lease payments due	217 897	375 668

Leased assets are initially measured at the lower of the fair value of the leased asset at the inception of the lease term and the present value of minimum lease payments at that date. The average lease term is 3 to 5 years and the average effective borrowing rate was 17% (2015: 17%)

8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	2 390 113	1 490 593
Income received in advance – Filing fees	211 400	134 400
Other payables – Permanent and temporary staff	102 472	18 168
Salary deductions – PAYE, UIF and Garnishees	614 781	502 607
Accrued expenses – Tribunal members' costs	472 285	665 127
Accrued leave pay – Senior management and fulltime Tribunal members	1 095 211	676 176
Accrued leave pay – Other staff	484 970	364 159
	5 371 232	3 851 230

All the amounts owed to suppliers as disclosed under trade payables are within the normal payment terms. Accrued leave pay relates to the estimated liability as a result of services rendered by employees up to the reporting date. It is calculated by apportioning the annual salary to a daily cost which is then multiplied by the number of leave days accumulated at the reporting date.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R	31 March 2015 R
9. PROVISIONS		
Performance bonuses – Senior management and fulltime Tribunal members	1 423 115	1 439 868
Performance bonuses – Other staff	1 426 636	924 655
	2 849 751	2 364 523
<p>Provision for performance bonuses relates to possible payment of performance bonuses to Tribunal employees for services rendered by them during the current financial year. The increase in the provision for performance bonuses is due to the increase in the staff complement and the annual cost of living adjustment.</p>		
Reconciliation of provisions		
Opening balance	2 364 523	2 061 308
Provisions utilised during the year	(2 288 205)	(1 967 921)
Provisions reversed during the year	(76 318)	(93 387)
Provisions made during the year	2 849 751	2 364 523
	2 849 751	2 364 523
10. TOTAL REVENUE		
Non-exchange revenue		
Government grants	46 029 000	40 164 000
Exchange revenue		
Filing fees	2 172 200	903 100
Service fees	2 366	2 631
Refund of equipment rentals	25 696	-
Proceeds from insurance	29 725	-
Investment income		
Interest earned (refer to Note 6.1 and Note 18.3)	1 473 488	1 047 833
Total Revenue	49 732 475	42 117 564

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R	31 March 2015 R
11. ADMINISTRATIVE EXPENSES		
Advertising	89 850	38 929
Audit and Risk Committee members' remuneration	453 907	514 141
Bank charges	54 470	53 455
Computer expenses and software licences	173 474	361 100
Entertainment, refreshments and staff welfare	80 646	80 261
Fraud hotline and whistle blowing	41 040	41 040
General expenses, gifts, flowers, first aid, cleaning costs, cutlery and crockery	28 979	48 652
HR Governance Committee members' remuneration	110 506	95 914
ICT Governance Committee members' remuneration	123 116	139 970
Internal audit fees and secretariat services	648 279	851 869
Legal fees	196 587	1 710
Membership fees, subscriptions, books and resource materials	260 214	239 724
Printing, stationery and publications	647 595	811 514
Storage costs, online backup services, mail archiving and disaster recovery	351 746	488 366
Training, bursaries and staff development	315 861	612 141
Venues and facilities for workshops and meetings	728 569	187 397
Website development, maintenance and hosting	21 000	123 744
	4 325 839	4 689 927

11.1 Decrease in administrative expenses

Computer expenses are lower mainly due to ICT support that was done in-house by the ICT staff.

Although there was an increase in the caseload, printing and stationery are lower due to case records being digitised in most instances and therefore not printed out.

Internal audit fees and secretariat services are higher in the previous year due to the previous firm's contract drawing to a close and no internal audits being undertaken towards the end of the financial year preceding that financial year, hence rolling over to the previous financial year.

Training and staff development are lower due to the coaching program that was implemented in the previous financial year.

Venues and facilities are higher due to the implementation of motion courts that were held in other locations than Pretoria. This has resulted in venues being procured to accommodate the motion courts that were held in locations outside of Pretoria. During the implementation of the space planning project venues had to be procured during the time that the NCT's courtroom was under construction.

Website development, maintenance and hosting are lower due to only website hosting costs being incurred and no additional development being undertaken during the current financial year.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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12. OTHER OPERATING EXPENSES

Amortisation	257 049	190 446
Assets written off	34 799	14 371
Consulting fees	1 019 864	1 273 629
Courier costs, postage and stamps	71 471	60 029
Depreciation	823 347	572 366
Insurance	220 829	156 958
Internet costs and 3G connectivity	154 142	192 444
Lease rentals on premises and parking	2 124 650	2 180 347
Recording, transcription, interpreters, witnesses and translation services	176 754	246 833
Rentals – Equipment and furniture	-	227 679
Repairs and maintenance	17 386	30 329
Telephone and fax	241 486	257 283
Travel and accommodation	2 771 102	1 654 367
Utilities – Water, electricity, rates and taxes	806 754	729 075
	8 719 633	7 786 156

12.1 Increase in other operating expenses

Consulting fees are lower due to the implementation of a consultants reduction plan in relation to the National Treasury cost containment measures.

Depreciation is higher due to the increase in the value of property, plant and equipment. Also refer Note 2.

No rental for furniture and equipment was paid as the NCT bought its own furniture during the previous financial year. Also refer Note 2.

Travel and accommodation are higher due to the implementation of motion courts that were held in other locations than Gauteng. This has resulted in travelling being undertaken to those locations by Tribunal members as well as support staff.

During the year under review the Executive Chairperson and the Deputy Chairperson were invited to present papers at international conferences where some of the costs were paid by the hosts of those conferences. The value of these benefits to the NCT is R12 543 and R6 830 respectively.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R	31 March 2015 R
13. AUDIT FEES		
External audit fees	828 093	836 695
	828 093	836 695

14. PART-TIME TRIBUNAL MEMBERS' COSTS

	2016			2015		
	Members' fees, etc.	Travelling expenses	Total costs	Members' fees, etc.	Travelling expenses	Total costs
BC Dumisa (Deputy Chairperson)	603 786	30 305	634 091	668 525	7 056	675 581
PA Beck	644 714	14 489	659 203	938 191	1 595	939 786
X May	332 155	18 210	350 365	218 494	6 048	224 542
HFN Sephoti	76 038	4 534	80 572	535 352	4 666	540 018
T Woker	536 076	14 869	550 945	650 352	3 763	654 115
FK Manamela	335 486	13 713	349 199	632 909	15 682	648 591
YT Carrim	166 632	2 147	168 779	15 653	594	16 247
L Best	282 649	6 000	288 649	564 821	264	565 085
JM Maseko	784 193	33 178	817 371	972 170	31 468	1 003 638
FK Sibanda	432 509	-	432 509	607 868	18 690	626 558
	4 194 238	137 445	4 331 683	5 804 335	89 826	5 894 161

14.1 Decrease in part-time tribunal members' costs

Although case numbers increased by more than 90%, and a cost of living increase was made to the daily rate paid to part-time Tribunal members, fees paid were lower. This can mainly be attributed to the implementation of the motion courts that have resulted in part-time Tribunal members now being paid for adjudicating on about 32 debt rearrangement agreement matters per day instead of 8 as was the case previously. There is also a backlog in matters to be finalised due to the teething problems that were experienced with the implementation of the case management system and matters not being set down to be heard. Cases were also grouped together to be heard on the same day where possible. Some of the part-time Tribunal Members have their own businesses, while others are employed fulltime and therefore cannot give as much of their own time as others, hence the differences in the amounts paid to individual members.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
	R	R
15. EMPLOYEE-RELATED COSTS		
Senior management emoluments (also refer to Note 15.1)	8 200 291	6 907 766
Fulltime Tribunal members' emoluments (also refer to Note 15.2)	3 172 924	2 946 188
Other staff emoluments	8 963 437	7 639 549
Other staff leave paid	111 004	188 096
Other staff performance bonuses for previous performance period	784 324	807 203
Subtotal for payments made to permanent staff and interns	21 231 980	18 488 802
Student workers (Contingent pool of temporary employees)	987 462	217 232
Temporary staff emoluments	497 304	719 490
Employer's contribution to statutory levies	242 255	197 049
Movement in accrual for leave pay	539 846	252 219
Movement in provision for performance bonuses	485 228	303 215
Total for employee-related costs	23 984 075	20 178 007
15.1 Senior management emoluments		
	8 200 291	6 907 766
Executive Chairperson (DR Terblanche)		
	2 058 772	1 965 512
Annual remuneration	1 727 369	1 636 572
Performance bonus for previous performance period	313 403	319 940
Other fringe benefits	18 000	9 000
Chief Operating Officer and Registrar (M Bosch)		
	1 649 789	1 572 032
Annual remuneration	1 387 091	1 338 910
Performance bonus for previous performance period	247 698	221 493
Other fringe benefits	15 000	11 629

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R	31 March 2015 R
15. EMPLOYEE-RELATED COSTS (continued)		
15.1 Senior management emoluments (continued)		
Chief Financial Officer (WP Strauss)		
	1 614 868	1 483 937
Annual remuneration	1 331 807	1 261 803
Acting allowance while COO was on maternity leave	33 816	-
Performance bonus for previous performance period	235 957	213 134
Other fringe benefits	13 288	9 000
ICT Manager (BX Nomvete)		
	1 171 794	969 666
Annual remuneration	1 014 253	960 666
Performance bonus for previous performance period	145 541	-
Other fringe benefits	12 000	9 000
Registrar (A Burger: 2 months in prior year)		
	1 030 768	168 667
Annual remuneration	1 018 768	166 667
Other fringe benefits	12 000	2 000
Communications Specialist (R Budree: 2.5 months in prior year)		
	-	177 850
Annual remuneration	-	167 759
Leave paid out due to resignation	-	8 308
Other fringe benefits	-	1 783
Human Resources and Facilities Manager (CM Selepe: 10 months in both years)		
	674 300	570 102
Annual remuneration	594 481	562 602
Performance bonus for previous performance period	69 819	-
Other fringe benefits	10 000	7 500

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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15. EMPLOYEE-RELATED COSTS (continued)

15.2 Fulltime Tribunal members' emoluments

Fulltime Tribunal Member (HV Devraj)

	3 172 924	2 946 188
	1 681 428	1 585 734
Annual remuneration	1 406 176	1 332 924
Performance bonus for previous performance period	263 252	242 010
Other fringe benefits	12 000	10 800

Fulltime Tribunal Member (JR Simpson)

	1 491 496	1 360 454
Annual remuneration	1 251 285	1 185 513
Performance bonus for previous performance period	228 211	164 141
Other fringe benefits	12 000	10 800

15.3 Expense allowances included under travelling costs

Executive Chairperson (DR Terblanche)	37 555	35 184
Fulltime Tribunal Member (HV Devraj)	31 483	4 678
Fulltime Tribunal Member (JR Simpson)	24 823	33 518
Chief Operating Officer and Registrar (M Bosch)	9 493	34 471
Chief Financial Officer (WP Strauss)	13 435	7 793
ICT Manager (BX Nomvete)	1 125	675
Registrar (A Burger)	2 409	-
Communications Manager (R Budree)	-	1 325
Expense allowance paid to senior management	120 323	117 644
Expense allowance paid to other staff	136 059	40 355
Total expense allowance paid to employees	256 382	157 999

During the year under review the NCT made a cost of living increase to its salary scales and also managed to fill many of the positions on its organisational structure that were previously vacant. Staff who have been appointed during the previous financial year were employed for a full year during the current financial year.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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15. EMPLOYEE-RELATED COSTS (continued)

15.4 Increase in employee-related costs

During the year under review the NCT made a cost of living increase to its salary scales and also managed to fill many of the positions on its organisational structure that were previously vacant. Staff who have been appointed during the previous financial year were employed for a full year during the current financial year.

16. FINANCE COSTS

Finance leases	50 341	53 398
	50 341	53 398

17. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

Net surplus for the year	7 630 256	2 769 046
Adjusted for:	1 650 764	1 133 796
Amortisation	257 049	190 446
Depreciation	823 347	572 366
Assets written off	34 799	14 371
Finance costs – Finance leases	50 341	53 398
Movement in provisions – Employee related costs	485 228	303 215
Operating surplus before working capital changes	9 281 020	3 902 842
Changes in Working Capital	618 947	220 588
(Increase)/decrease in accounts receivable	(878 075)	25 129
(Increase)/decrease in inventory	(22 980)	38 231
Increase in accounts payable	1 520 002	157 228
Cash generated in operations	9 899 967	4 123 430

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

18. PRESENTATION OF BUDGET INFORMATION

The NCT prepares its annual budget primarily on an accrual basis. Items such as depreciation, amortisation, loss on sale of assets, scrapping of assets, finance costs and accrual for leave pay are not budgeted for on the accrual basis. The actual amounts in the Statement of Comparison of Budget and Actual Amounts are therefore adjusted to be comparable with the final budget.

Material differences between the final budget and the comparable actual amount are disclosed in the notes below. Material is considered to be either as to the amount or what is considered to be of a qualitative nature. The amount determined for materiality purposes is according to the materiality and significance framework as was published in the Strategic Plan. This amount was determined to be R294 605 for the financial year that ended on 31 March 2016.

18.1 Additional funding required

By the time that the budget for 2015/16 was prepared, the NCT anticipated a shortfall of R4.96 million for the current financial year. This was then indicated as additional funds required in order to balance the budget for 2015/16. A request for additional funding was made to **the dti** and National Treasury resulting in an additional R3 million being allocated to the NCT during the revised Estimates of National Expenditure process. Also refer to Note 28.

18.2 Income from exchange transactions

This income comprises mainly of filing fees received from filing parties for cases brought before the Tribunal. The budget for 2015/16 was prepared on the assumption that case numbers for 2015/16 will increase by around 50% while the actual case numbers for 2015/16 increased by more than 90% from the previous financial year. As of 4 February 2016 the filing fee for debt rearrangement matters increased from R100 to R200 per case.

18.3 Interest received

Due to the retained surplus at the end of the previous financial year being more than what was budgeted for, the case management system being developed in-house, the space planning project that was implemented only towards the end of the current financial year as well as lower fees paid to part-time Tribunal members than what were budgeted for, there were more funds on investment than was anticipated. This resulted in the interest earned on investment to be higher than what was budgeted for. The NCT also manages its cash flow to ensure that surplus funds are invested in a way to maximise the interest earned on these funds.

18.4 Administrative expenses

Most of the administrative expenses per line item are underspent due to the implementation of cost savings measures and efficiency gains. Computer expenses are mainly underspent due to ICT support being provided in-house by the ICT staff. HR projects and special investigations are underspent due to none of those being undertaken or paid for during the current financial year. Software development is overspent as this was done in-house and not procured as off the shelf software. Venues and facilities are overspent due to the implementation of motion courts that were held in locations other than at the NCT offices. This has resulted in venues being procured to accommodate the motion courts that were held in locations outside of Pretoria and which was not budgeted for. During the implementation of the space planning projects venues had to be procured during the time that the NCT's courtroom was under construction. This was also not budgeted for.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

18. PRESENTATION OF BUDGET INFORMATION (continued)

18.5 Tribunal Members' costs

Although case numbers increased by more than what was budgeted for, fees paid to part-time Tribunal members were lower than budget. This can mainly be attributed to the implementation of the motion courts that has resulted in part-time Tribunal members now being paid for adjudicating of about 32 debt rearrangement agreement matters per day instead of 8 as was budgeted for. There is also a backlog in matters to be finalised due to the teething problems that were experienced with the implementation of the case management system and matters not being set down to be heard. Cases were also grouped together to be heard on the same day where possible. Also refer to Note 14.1.

18.6 Employee-related costs

The NCT experienced difficulties in filling some of the vacant positions on the approved staff structure. In some instances positions were advertised and interviews held for up to three times before a suitable candidate could be appointed. Internal appointments of staff into higher positions have also caused positions into which those staff members were appointed to become vacant.

18.7 Capital expenditure

The capital expenditure budget is overspent mainly due to the implementation of the space planning project and the development of the case management system. These projects are financed out of the approved roll-over funds but as the NCT is not allowed to do reserve accounting, this expenditure cannot be allocated directly to the accumulated surplus at the beginning of the financial year. The Landlord has contributed R515 080 as a tenant installation allowance towards the cost of this project. Also refer to Note 2.1.

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19. COMMITMENTS

19.1 Operating leases – Buildings

Lease payments under operating leases recognised in the surplus for the year	<u>2 124 650</u>	<u>2 180 347</u>
Future minimum lease payments		
Payable within one year	2 059 223	1 855 373
Payable after one year	<u>5 658 493</u>	<u>7 510 009</u>
	<u>7 717 716</u>	<u>9 365 382</u>

The operating lease relates to the Centurion office building premises used by the NCT. The lease agreement entered into is effective from 1 September 2014 and ends on 31 August 2019.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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19. COMMITMENTS (continued)

19.2 Operating leases - Office equipment and furniture

Lease payments under operating leases recognised in the surplus for the year	-	227 679
Future minimum lease payments		
Payable within one year	-	-
Payable after one year	-	-
	-	-

The operating leases relates to office equipment and furniture that expired during the previous financial year.

The lease for office equipment relates to a lease of telephone equipment that has expired on 31 May 2014 but the system was used on a rental basis until 17 September 2014 when additional equipment was procured and a new agreement was entered into. The monthly rental was paid at a fixed amount of R12 848 per month.

The lease relating to furniture was entered into during March 2013 and expired on 20 November 2014 when the NCT bought its own furniture. The average monthly rental for the current financial year was R24 316 per month.

19.3 Finance leases – Office equipment

Refer to Note 7: Finance leases – Office equipment for commitments under finance lease agreements.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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20. RELATED PARTIES

20.1 Transactions with entities under common control

As the NCT is a National Public Entity related to other entities and departments in the National Sphere of Government, it is considered to be related to Telkom, the South African Post Office and the South African Airlines. Transactions with these entities are concluded in the normal course of business and are undertaken in terms of conditions that are normally applicable for such transactions. Other movement of funds between the NCT and a department or other entities under common control in the National Sphere of Government are disclosed below:

Department of Trade and Industry (the dti) – Grant received	46 029 000	40 164 000
National Credit Regulator – Filing fees deposited into their bank account	-	700

20.2 Relationships and related party transactions

20.2.1 State Departments and Public Entities

Department of Trade and Industry (**the dti**) – Controlling state department

National Consumer Commission – Sister entity within **the dti** group of entities and part of COTII

National Credit Regulator – Sister entity within **the dti** group of entities and part of COTII

Note: Amounts that were paid to or received from state departments and public entities are disclosed in Note 20.1 above.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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20. RELATED PARTIES (continued)

20.2 Relationships and related party transactions (continued)

20.2.1 State Departments and Public Entities (continued)

The NCT is part of the Council of Trade and Industry Institutions (COTII) to contribute towards the achievement of the objectives of **the dti** and the overall Government strategies. The entities listed below are part of COTII and some of these entities use the facilities and other resources of the NCT from time to time for free.

National Empowerment Fund (NEF)	-	-
Export Credit Insurance Corporation of South Africa Limited (ECIC)	-	-
Small Enterprise Development Agency (seda)	-	-
Companies and Intellectual Property Commission (CIPC)	-	-
National Gambling Board of South Africa (NGB)	-	-
National Lotteries Board (NLB)	-	-
National Metrology Institute of South Africa (NMISA)	-	-
South African Bureau of Standards (SABS)	-	-
South African National Accreditation System (SANAS)	-	-
National Regulator for Compulsory Specifications (NRCS)	-	-
Companies Tribunal (CT)	-	-

20.2.2 Accounting Authority

DR Terblanche (Chairperson of the Tribunal)	Aggregate remuneration	2 058 772	1 965 512
DR Terblanche (Chairperson of the Tribunal)	Reimbursement of purchases	10 050	27

Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15.1 and 15.3 for more detail.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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20. RELATED PARTIES (continued)

20.2 Relationships and related party transactions (continued)

20.2.3 Part-time Tribunal Members

BC Dumisa (Deputy Chairperson of the Tribunal)	Aggregate fee for services rendered	634 091	675 581
PA Beck	Aggregate fee for services rendered	659 203	939 786
X May	Aggregate fee for services rendered	350 365	224 542
HFN Sephoti	Aggregate fee for services rendered	80 572	540 018
T Woker	Aggregate fee for services rendered	550 945	654 115
FK Manamela	Aggregate fee for services rendered	349 199	648 591
YT Carrim	Aggregate fee for services rendered	168 779	16 247
L Best	Aggregate fee for services rendered	288 649	565 085
JM Maseko	Aggregate fee for services rendered	817 371	1 003 638
FK Sibanda	Aggregate fee for services rendered	432 509	626 558

Note: Aggregate fee for services rendered includes travelling expense. Also refer to Note 14 for more detail.

20.2.4 Fulltime Tribunal Members and key Management

HV Devraj (Fulltime Tribunal Member)	Aggregate remuneration	1 681 428	1 585 734
HV Devraj (Fulltime Tribunal Member)	Reimbursement of purchases	6 201	42
JR Simpson (Fulltime Tribunal Member)	Aggregate remuneration	1 491 496	1 360 454
JR Simpson (Fulltime Tribunal Member)	Reimbursement of purchases	5 795	644
M Bosch (Chief Operating Officer and Registrar)	Aggregate remuneration	1 649 789	1 572 032
M Bosch (Chief Operating Officer and Registrar)	Reimbursement of purchases	778	2 033
WP Strauss (Chief Financial Officer)	Aggregate remuneration	1 614 868	1 483 937
WP Strauss (Chief Financial Officer)	Reimbursement of purchases	3 116	12

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

31 March 2016

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31 March 2015

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20. RELATED PARTIES (continued)

20.2 Relationships and related party transactions (continued)

20.2.4 Fulltime Tribunal Members and key Management (continued)

BX Nomvete (ICT Manager)	Aggregate remuneration	1 171 794	969 666
R Budree (Communications Specialist)	Aggregate remuneration	-	177 850
A Burger (Registrar)	Aggregate remuneration	1 030 768	168 667
A Burger (Registrar)	Reimbursement of purchases	250	-
CM Selepe (Human Resources and Facilities Manager)	Aggregate remuneration	674 300	570 102

Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15.1; 15.2 and 15.3 for more detail.

20.3 Amounts included in trade receivables/(trade payables) regarding related parties

M Bosch (Chief Operating Officer and Registrar) (UIF refund and travelling expenses)	18 328	-
A Burger (Registrar) (UIF refund)	22 482	-
HV Devraj (Fulltime Tribunal Member) (Travelling expenses)	(3 740)	-
JR Simpson (Fulltime Tribunal Member) (Travelling expenses)	(4 237)	-
WP Strauss (Chief Financial Officer) (Travelling expenses)	(470)	-
DR Terblanche (Chairperson of the Tribunal) (Travelling expenses)	(3 187)	-
PA Beck (Part-time Tribunal Member) (Fees and Travelling expenses)	(51 498)	(14 921)
L Best (Part-time Tribunal Member) (Fees and Travelling expenses)	(19 356)	(43 699)
YT Carrim (Part-time Tribunal Member) (Fees and Travelling expenses)	(43 679)	(10 766)
BC Dumisa (Part-time Tribunal Member) (Fees and Travelling expenses)	(58 201)	(15 653)
FK Manamela (Part-time Tribunal Member) (Fees and Travelling expenses)	(45 459)	(67 891)

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

31 March 2016

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31 March 2015

R

20. RELATED PARTIES (continued)

20.3 Amounts included in trade receivables/(trade payables) regarding related parties (continued)

JM Maseko (Part-time Tribunal Member) (Fees and Travelling expenses)	(64 319)	(50 346)
X May (Part-time Tribunal Member) (Fees and Travelling expenses)	(3 248)	(61 961)
HFN Sephoti (Part-time Tribunal Member) (Fees and Travelling expenses)	(74 487)	(254 445)
FK Sibanda (Part-time Tribunal Member) (Fees and Travelling expenses)	(88 056)	(114 138)
T Woker (Part-time Tribunal Member) (Fees and Travelling expenses)	(23 982)	(31 307)

21. FINANCIAL INSTRUMENTS

Exposure to currency, interest rate, credit and liquidity risks arise in the normal course of the NCT's business.

21.1 Financial risk management

The NCT is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

This note presents information about the NCT's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

The Accounting Authority and key Management have overall responsibility for the establishment and oversight of the NCT's risk management framework. The NCT's risk management policies are established to identify and analyse the risks faced by the NCT, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the NCT's activities. The NCT, through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

31 March 2016

R

31 March 2015

R

21. FINANCIAL INSTRUMENTS (continued)

21.1 Financial risk management (continued)

Financial assets

Loans and other receivables

Trade and other receivables (refer to Note 5)

Cash and cash equivalents (refer to Note 6)

18 745 978

10 770 584

995 716

117 641

17 750 262

10 652 943

Financial liabilities

Trade and other payables

Trade and other payables (refer to Note 8)

Accruals (refer to Note 8)

5 371 232

3 851 230

3 318 766

2 145 768

2 052 466

1 705 462

21.1.1 Liquidity risk

Liquidity risk is the risk that the NCT will encounter if it experiences difficulty in raising funds to meet its commitments. The NCT's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the NCT's reputation. The major portion of the surplus is carried as cash or cash equivalents.

The ageing of trade payables from exchange transactions at the reporting date is per the table below. The amounts disclosed are contractual cash flows.

At 31 March 2016

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Finance leases (refer to Note 7)	186 405	58 815	-
Trade and other payables (refer to Note 8)	5 371 232	-	-
	5 557 637	58 815	-

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (continued)

21.1 Financial risk management (continued)

21.1.1 Liquidity risk (continued)

At 31 March 2015

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Finance leases (refer to Note 7)	207 728	185 282	58 349
Trade and other payables (refer to Note 8)	3 851 230	-	-
	4 058 958	185 282	58 349

21.1.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates.

	31 March 2016 R	31 March 2015 R
Balances exposed to interest rate risk		
Cash and cash equivalents (refer to Note 6)	17 750 262	10 652 943
	17 750 262	10 652 943

21.1.3 Sensitivity analysis

The National Consumer Tribunal reviews its interest rate exposure on a regular basis. At 1 April 2015, if interest rates had been 1% higher or lower, with all other variables held constant, the surplus for the year would have changed according to the sensitivity analysis below:

Financial instrument	Change in interest	Increase in surplus if lower	(Decrease) in surplus if higher	Increase in surplus if higher	(Decrease) in surplus if lower
Cash and cash equivalents	1%	-	-	271 680	(271 680)
Finance leases	1%	3 149	(3 158)	-	-

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (continued)

21.1 Financial risk management (continued)

21.1.4 Credit risk

Credit risk is the risk of a counterparty to a financial instrument defaulting on its obligation to the NCT, thereby causing financial loss. It is therefore policy that all customers who wish to trade on credit terms are assessed for creditworthiness. In addition, receivable balances are monitored on an ongoing basis, resulting in exposure to bad debts being insignificant. A provision is made for doubtful debts. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

	31 March 2016 R	31 March 2015 R
Financial assets exposed to credit risk at year-end were as follows:		
Financial instrument		
Trade and other receivables – Unrated	995 716	117 641
Cash and cash equivalents – AA rating (Fitch)	17 750 262	10 652 943
	18 745 978	10 770 584

The following analysis provides information about the NCT's exposure to credit risk:

Credit quality of financial assets

Trade and other receivables neither past due nor impaired	995 716	117 641
Cash and cash equivalents neither past due nor impaired	17 750 262	10 652 943
	18 745 978	10 770 584

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (continued)

21.2 Fair values

The National Consumer Tribunal's financial instruments consist mainly of cash and cash equivalents, accounts receivable and accounts payable. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

21.2.1 Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

21.2.2 Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

21.2.3 Accounts payable

The carrying amount of trade payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

31 March 2016

R

31 March 2015

R

22. CHANGE IN ACCOUNTING ESTIMATES

Impact of changes in accounting estimates

(Increase) in net surplus	-	(91 775)
Increase in property, plant and equipment	-	91 775
	<hr/>	<hr/>
	-	-

In the current year management re-assessed the remaining useful lives of property, plant and equipment after evaluating the physical condition of these assets. This has resulted in no change being made to the estimated remaining life of all the property plant and equipment. During the previous financial year the estimated remaining life for furniture and fittings was increased by a further 60 months, computer equipment by another 12 months and office equipment by another 12 months. During the previous financial year the remaining useful life of leasehold improvements was increased by a further 60 months as per the new lease agreement that was entered into for another five years during that financial year. The residual values for furniture and fittings, computer equipment and office equipment were also reduced during the previous financial year from 10% to 5% of the original cost price. The effect of this revision has decreased the depreciation charges for the previous year and increased the depreciation charges for future periods by R91 775.

There was no impact on the Cash Flow Statement

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

23. FRUITLESS AND WASTEFUL EXPENDITURE

Management has not identified any fruitless and wasteful expenditure in the years ended 31 March 2016 and 31 March 2015.

24. IRREGULAR EXPENDITURE

Management has not identified any irregular expenditure in the years ended 31 March 2016 and 31 March 2015.

25. EVENTS AFTER THE REPORTING DATE

Management is not aware of any matters or circumstances as at the end of the financial year, not otherwise dealt with in the annual financial statements, that significantly affects the financial position of the National Consumer Tribunal or the results of its operations.

26. GOING CONCERN

Management has carried out an assessment of the Tribunal's ability to continue operating as a going concern and therefore concludes that the organisation will be able to continue as a going concern for the foreseeable future.

27. STATEMENTS OF GRAP ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following accounting standards of Generally Recognised Accounting Principles (GRAP) were in issue, but not yet effective:

	Number	Future Impact for the NCT	Effective Date
Related Party Disclosures	GRAP 20	Applicable to the NCT	No date determined
Service Concession Arrangements: Grantor	GRAP 32	Not applicable to the NCT	No date determined
Statutory Receivables	GRAP 108	Not applicable to the NCT	No date determined
Service Concession Arrangements where the Grantor Controls a Significant Residual Interest in an Asset	IGRAP 17	Not applicable to the NCT	No date determined

Management believes that the adoption of these standards in future periods will have no material impact on the financial statements of the NCT.

National Consumer Tribunal - Annual Financial Statements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

28. CONTINGENT LIABILITIES

There is a contingent liability that comprises a claim by a service provider for ICT design specification services in excess of the R 68 400 that was deemed a fair value by the NCT. The claims put forward by the service provider amount to R273 600. Management is confident in their valuation of the services rendered to the NCT.

There is also a contingent liability that comprises the accumulated surpluses as at 31 March 2016. A request for the retention of the previous year's accumulated surplus of R7 276 718 has been approved by National Treasury. A request to retain the retained surplus as at 31 March 2016 will be submitted to National Treasury. The accumulated surplus as at 31 March 2016 is summarised in the table below. Also refer to Note 18.1.

	31 March 2016
	R
Surplus brought forward from 2011/12 and earmarked for the case management system and space planning	3 490 587
Surplus for 2012/13 rolled over to 2013/14 to fund operational expenses	2 479 693
(Deficit) for 2013/14 funded out of rollover funds from 2012/13	(1 462 608)
Surplus for 2014/15 rolled over to 2015/16 to fund operational expenses	2 769 046
Surplus for 2015/16 rolled over to 2016/17 to fund operational expenses	7 630 256
Accumulated surplus	14 906 974
Reconciliation of accumulated surplus	
Surplus brought forward from 2011/12 and earmarked for the case management system and space planning	3 490 587
Surplus rolled over to 2016/17 to fund the anticipated shortfall	11 416 387
Accumulated surplus	14 906 974

29. CAPITAL COMMITMENTS

The NCT has awarded a tender to a contractor for the implementation of the space planning project to an estimated value of R2.4 million. This project was implemented during the current financial year and will be completed in the new financial year. The NCT will still spend about R300 000 in the new financial year before this project is completed. This project is funded out of retained surpluses carried forward from the 2011/12 financial year. Also refer to Note 28.

30. TAXATION

The NCT is exempted from paying taxation in terms of Section 10 (1)(CA)(1) of the Income Tax Act, Act No. 58 of 1962.



ANNEXURE A
TRIBUNAL MEMBERS' RÉSUMÉS

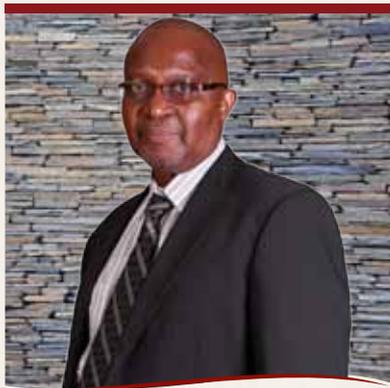


Ms Diane Terblanche

Qualifications: BA and LLB degrees, University of the Western Cape, LLM, University of Pennsylvania (USA; Admitted Attorney of the High Court of South Africa (March 1986)

Passionate about the rights of South African consumers, Diane, an admitted attorney, has been the Executive Chairperson of the National Consumer Tribunal since its inception. Her extensive experience and involvement in consumer protection spans a period of over 30 years. It includes lobbying for, drafting and in many instances implementing, consumer protection policies, laws and the strategies. Over the years, Diane has had a significant impact on a number of entities in her various adjudicative, executive, governance and oversight, advisory and consultancy roles, both locally and abroad.

Since its inception, the Tribunal has been renowned for its exemplary management and governance and fair adjudication. Much of its success can be attributed to Diane's strong and dynamic leadership.



Prof. Bonke Dumisa

Qualifications: BCom (National University of Lesotho); BCom (Hons) (Unisa); MBA (Bentley University, USA); MSc (University of London, UK); Doctor of Business Administration (University of Durban-Westville); LLB (University of Zululand); LLM (University of KwaZulu-Natal)

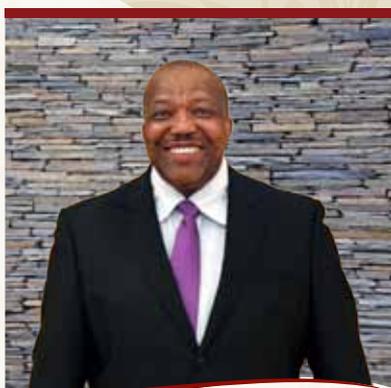
With his valuable combination of business and legal qualifications, Prof. Dumisa has served as the Deputy Chairperson of the NCT since its inception in 2006. Prof. Dumisa is an Advocate of the High Court of South Africa and a former Professor of Management at the University of KwaZulu-Natal. Thanks to his sought-after leadership skills and business acumen, Prof. Dumisa serves on a number of boards, including being the Chairperson of the KwaZulu-Natal Provincial Planning Commission, a member of the Council for Medical Schemes, and is Deputy Chairperson of the Ethekwini Local Committee of the KwaZulu-Natal Liquor Authority. He also serves on the Council of the University of Zululand.



Ms Yasmin Carrim

Qualifications: BSc, LLB and Higher Diploma in Education (University of Cape Town)

Ms Carrim is an admitted attorney of the High Court of South Africa and serves as a fulltime member of the Competition Tribunal of South Africa and part-time member of the NCT. Ms Carrim is Chairperson of the Board of Soul City Institute and is a member of the National Association of Democratic Lawyers and the Women's Legal Centre.



Prof. Joseph Maseko

Qualifications: PhD Management (UK); MPhil Labour Law (University of Johannesburg); Advanced Diploma in Labour Law (Randse Afrikaanse Universiteit); Graduate Diploma in Company Direction (GIMT); Advanced Diploma in Management; Diploma in Personnel Management; Certificate in O&M; Certificate in Psychometric Testing; Certificate in Training of Trainers; Certificate in Debt Counselling (University of Pretoria); Certificate in Curriculum Design (Central Training Unit (Maccauvlei)); Certificate in Management Development Programme (University of the Witwatersrand; and Certificate in Law and Mediation (TPU).

Prof. Maseko continuously sets out to improve his skills set, as is attested to by his wide range of qualifications. However, protecting the rights of consumers remains one of his key focus areas, and in 2014 he was appointed by the United Nations Industrial Development Organization to draft, compile and present consumer protection legislation and regulations for Swaziland. The drafted Act and regulations are currently with the Ministry of Commerce, Industry and Trade for parliamentary submission. Prof. Maseko is a Tribunal Member and serves as a Chairperson of the Mpumalanga Consumer Affairs Court. He is also the owner of Maseko Management Services. In March 2015; Prof. Maseko also presented some training on the law of evidence for Investigators (staff and management) of the Republic of the Seychelles. Since November 2015; he also serves as a Chairperson on one of the Disciplinary Committees of the NHBRC in terms of the applicable statute; assisted by two technical assessors.



Mr Xolela May

Qualifications: Diploma in Business Management; MBA (in progress); NDip Law (University of Johannesburg); Diploma in Legal Studies (South African School of Law)

With his in-depth knowledge of the Consumer Protection Act and regulations, Mr May is a valued Tribunal Member who makes an active contribution to the enforcement of consumer rights. He is Vice-Chairperson of the Southern Cape Correctional Services Parole Board and is involved in a number of NGOs and CBOs.



Mr Fungai Sibanda

Qualifications: BCom and BCom (Hons) (Unisa); MSc Economics (Hull University, UK); Certificate in Competition Law (University of the Witwatersrand)

Mr Sibanda specialises in regulatory economics and competition policy matters, and has held a number of senior positions in the Competition Commission, Department of Trade and Industry and Independent Communications Authority of South Africa. Among others, he was involved in the drafting of the regulations of the Consumer Protection Act and is a member of the Regulating Committee for the Airports Company of South Africa and the Air Traffic Navigation Services. Mr Sibanda is also a member of the Tshwane Economic Development Agency Board and co-founder of Hekima Advisory. The Wits Law School often invites Mr Sibanda as a guest lecturer on Competition Economics.



Ms Laura Best

Qualifications: B Com Economics (University of Cape Town); Masters in Development Studies (Nelson Mandela Metropolitan University)

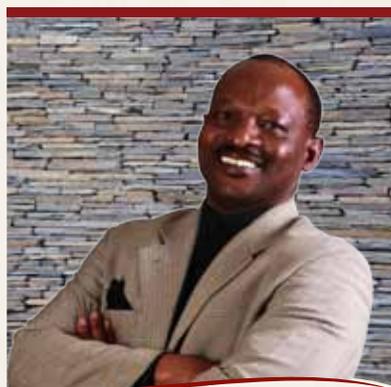
Ms Best divides her time between the NCT and her position as Special Assistant to the Vice-Chancellor of the Nelson Mandela Metropolitan University (NMMU). She is also a member of the South African Board of Sheriffs and chairs its Training and Communications Committee. Ms Best makes a significant input into the NCT through her insight into, and knowledge of, the future role of e-communications, specifically the impact of the internet and mobile telecommunications in modern society in relation to consumer protection.



Ms Penelope Beck

Qualifications: BA Law and LLB (University of the Western Cape); Certificate in the Financing of Local Infrastructure Initiatives (University of Cape Town/Royal Institute of Technology, Sweden)

Ms Beck was admitted as an attorney in 1992 and honed her consumer protection knowledge in the NGO sector, where she served legal resource centres and the Housing Consumer Protection Trust, among others, for many years. She is currently a member of the Office of Disclosure of the Department of Human Settlements, a classifier of the Film and Publications Board, a member of the South African Council of Planners and an associate member of INSITE, an organisation focusing on social and economic development of communities. She is also a practicing attorney at Beck-Paxton Attorneys.



Adv. Frans Kgolela Manamela

Qualifications: BJuris and LLB (University of the North)

Adv. Manamela has been involved in consumer issues since 1992, and was admitted as an advocate of the High Court in 1995. He played a key role in setting up the first Consumer Affairs Court in South Africa and was appointed as the first Consumer Protector for Gauteng in 1998. Adv. Manamela currently serves as the Chief Director of Consumer Affairs and Business Compliance in the Gauteng Department of Economic Development. He also serves on the Board of the South African Savings Institute and is a member of the National Consumer Protection Forum's Policy and Legislation Committee.



Adv. Neo Sephoti

Qualifications: BJuris and LLB (University of Bophuthatswana); Diploma in Alternative Dispute Resolution (Arbitration Foundation of Southern Africa)

Adv. Sephoti loves working with people and making a difference in their lives. She is an advocate of the High Court of South Africa, and is currently employed as the Corporate Affairs Manager at SABMiller where she deals with legal matters relating to the sale of alcohol. Adv. Sephoti is also a member of the Independent Commission for the Remuneration of Public Office Bearers and is Chairperson of the Audit and Risk Committee of the Performing Arts Council of the Free State.



Prof. Tanya Woker

Qualifications: BA, LLB and LLM (University of Natal; PhD (Rhodes University)

A professor of law and advocate of the High Court of South Africa, Prof. Woker takes particular interest in consumer law. She served as the Vice-Chairperson and Chairperson of the Department of Trade and Industry's Consumer Affairs Committee, and at present, serves as the Chairperson of the Financial Services Ombuds Council and member of the Financial Services Enforcement Committee. Prof. Woker is the author of a number of consumer law related articles and academic works.



Ms Hazel Devraj

Qualifications: BSc Psychology and Industrial Psychology; BSc (Hons) Human Resource Management, Personal Administration, Training and Development and Labour Relations

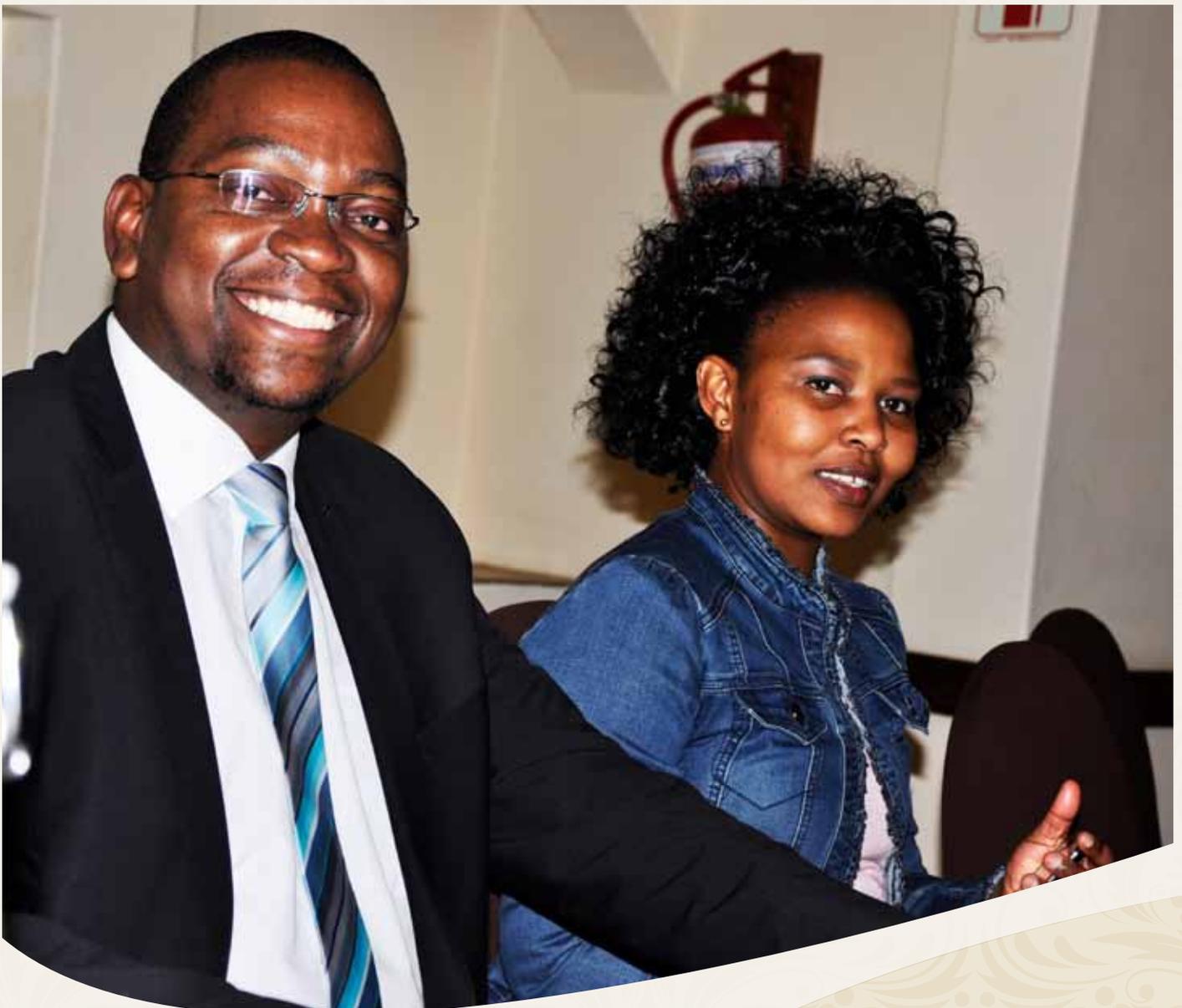
In her position as CEO, Ms Devraj played a key role in the founding of the NCT with her hands-on work ethic. Prior to joining the founding team of the NCT, Ms Devraj spent four years as the Head of Human Resources at the Competition Commission, after which she joined the Department of Trade and Industry as Director of Operational Management in the Corporate Regulation Division. Ms Devraj is now a fulltime Tribunal Member, and her insight into the inner workings of the Tribunal is highly acknowledged.

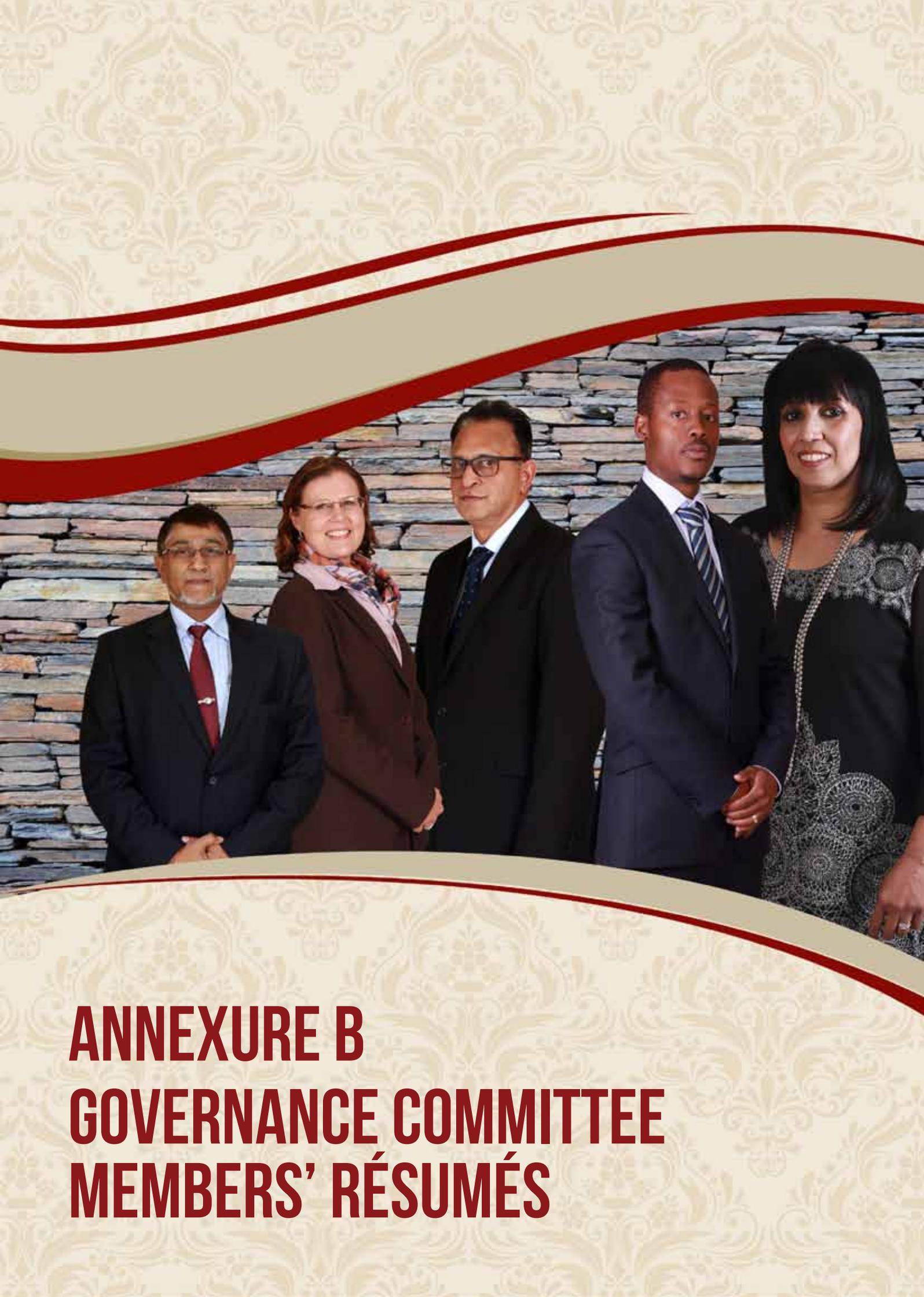


Adv. John Simpson

Qualifications: BJuris and LLB (Unisa)

Adv. Simpson's career has seen him rise through the ranks of the legal system over a period of 10 years, from State Prosecutor in the Department of Justice, to Magistrate and then as an admitted advocate in private practice. His quest for renewed challenges led him to take on the positions of Manager and then General Manager for the Ombudsman for Banking Services where he served for a period of 11 years. This extensive experience positioned Adv. Simpson as a skilled legal consultant, in which position he has provided advice and guidance to companies on the Consumer Protection Act and assisted the NCT in the setting up of its case management systems. He has been with the National Consumer Tribunal since June 2013 as a full time tribunal member, adjudicating cases in terms of the National Credit Act and the Consumer Protection Act.





ANNEXURE B
GOVERNANCE COMMITTEE
MEMBERS' RÉSUMÉS

AUDIT AND RISK COMMITTEE



Mr Ameen Amod

Qualifications: *BCom (Unisa), MBA (University of Cape Town, CIA(IIA), CRMA(IIA), CGSA(IIA)*

Mr Amod has a background of diverse experience and skills. He has a B Com degree and a financially oriented Master's degree in Business Administration. He has worked as a tutor, lecturer, Head of Department and as Managing Director at MTN Cellphone Select. He is a member of the Institute of Internal Auditors (IIA) as well as a member of the Institute of Directors (IoD). He has served on the Provincial Executive Committee of the Black Management Forum during 2009-2010 and also served two terms as Chairperson of the Western Cape: Governance and Administration Audit Committee (2008-2011). Mr Amod currently serves as the Chairperson of the Department of Transport and Public Works' Audit Committee, Chairperson of the Western Cape Department of Health Audit Committee, Chairperson of the Department of Energy Audit Committee and the Chairperson of the NCT's Audit and Risk



Ms Janice Meissner

Qualifications: *B Com (Acc) (Unisa), BCompt (Hons) CA (SA)*

Ms Meissner is a qualified Chartered Accountant and member of the South African Institute of Chartered Accountants (SAICA) as well as the Institute of Internal Auditors (IIA) and Institute of Directors (IoD). She has thirteen years' post qualification experience encompassing three years external audit and ten years specializing in internal audit and risk management within a consulting environment. She has extensive experience in the governance areas addressed in King III, providing expert level insight to governance issues and the synergies between the different assurance providers as well as eight years' experience on a Director / Partner level. Ms Meissner is currently a professional non-executive director. She is further an audit committee member of the National Consumer Tribunal, Gauteng Provincial Department, Nersa and FoodBev Seta Audit Committee.



Mr Mohammed (Mo) Kajee

Qualifications: *BCompt (Hons), CA (SA), ACMA*

Mr Kajee is a Chartered Accountant and a member of the Institute of Chartered Management Accountants (UK). He has more than 30 years commercial experience, having worked for 17 years in the oil industry, for Mobil Oil SA and British Petroleum SA, in various management positions where he gained experience in computer auditing, financial management, corporate finance, treasury, internal audit and business consulting. He has held a number of executive and non-executive directorships, including PetroSA, OPC, Gannett Insurance and Gannett Holdings Ltd (Isle of Man), and Sekunjalo Investments Ltd. He is currently a member of the NCT's Audit and Risk Governance Committee.

ICT GOVERNANCE COMMITTEE



Mr Busa Mkhize

Qualifications: *BA Computer Science (University of Maine, Orono, USA), MBA (University of Cape Town)*

Mr Mkhize is a business management and IT consulting executive with particular interest in technology based new venture creation. He spent almost a decade working for a global consulting firm, providing high-end services to a securities exchange, a number of banking and capital markets companies in South Africa and Singapore, a leading Dutch airline and government departments in South Africa. In 2005, he founded Inkanyezi Renaissance Group, which has a particular focus in information technology based services provision. He currently leads large scale broadband deployment initiatives and the commercialisation of existing state owned telecoms infrastructure assets to help advance the national broadband agenda. He currently serves as an IT governance specialist in the audit and risk committee of the University of Zululand as well as a member of the IT Governance Committee of the National Consumer Tribunal.

HR GOVERNANCE COMMITTEE



Prof. Sesh Paruk

Qualifications: *BA (University of Natal), Hons Psychology (University of Durban Westville), MA Clinical Counselling Psychology (UPE), PhD Psychology (University of Fort Hare)*

Prof. Paruk is a woman of many talents and has more than twenty years of Executive leadership experience as well as providing strategic advice to top leaders. She was awarded an extraordinary professorship by the University of the North - West for her long-standing contribution to the use of the social sciences as a vehicle towards societal transformation. She was, inter alia, the Strategic driver of the National "Face of Aids Campaign" and the first senior female leader in RSA's Nuclear Energy Sector. She has also served on several high-ranking boards. Sesh further served as the 1st Executive: HR at the Parliament in South Africa, driving the transformation and capacity building agendas. During this time, she led several strategic delegations to SADC, PAP, Inter Parliamentary Union and other global platforms to accelerate technical exchange programs.

Prof. Paruk is a registered Clinical and Counselling Psychologist and has served as Head of Department of Psychology at the University of Zululand. Her expertise following her varied exposure relates to Enterprise Leadership; Integration & synthesis; Management of Complexity; Leveraging Organisational Performance excellence, & in depth exposure to the whole human capital value chain. She currently serves on the HR Governance Committee of the NCT as well as the Editorial Board of the Electronic Newsletter "Trailblazer". In her spare time she volunteers as a member of the Global Girl Up Campaign.



NATIONAL COMMISSION ON HUMAN RIGHTS

NATIONAL COMMISSION ON HUMAN RIGHTS

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**ANNEXURE C
EXECUTIVE COMMITTEE
MEMBERS' RÉSUMÉS**



Ms Marelize Bosch

Chief Operating Officer

Qualifications: LLB (University of Pretoria) Project Management Diploma (Varsity College)

Through hard work and her passion for law, Ms Bosch worked her way up from Candidate Attorney to Partner of a law firm in a very short period of time. She also qualified as a conveyancer during this period. She then advanced to legal advisor and after fulfilling the post of a Senior Legal Advisor at a financial service provider, she joined the NCT in June 2011 as Head: Legal Services. She became the Registrar of the Tribunal during 2012 and was appointed as COO of the NCT in May 2014. Ms Bosch attends all governance committee meetings, as well as operational meetings in her official capacity. In addition, she is a member of EXCO and the Chairperson of the ICT Steering Committee.

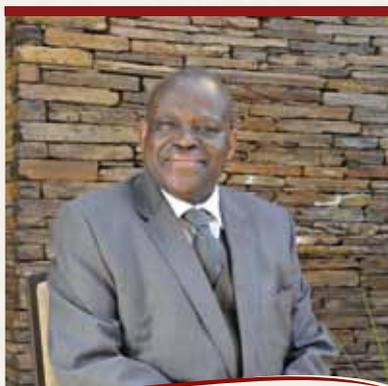


Mr Willem Strauss

Chief Financial Officer

Qualifications: B Proc (University of the Free State) B Compt (University of the Free State) CTA (University of the Free State) B Compt Honours (University of the Free State) LLM (Tax Law) (University of Cape Town) MBA (Bond University - SA Campus (Cum Laude))

Mr Strauss not only completed his studies for law, but also qualified as a Chartered Accountant. He was also a part-time lecturer at the University of the Free State and had a lengthy tenure at the Auditor-General of South Africa first as Audit Manager and then as Senior Manager before he joined the NCT in September 2011 as Chief Financial Officer. He is a member of the Finance Committee as well as a member of EXCO.



Mr Bax Nomvete

ICT Manager

Qualifications: Higher National Diploma in Computer Science (University of Hertfordshire (UK) Investment Management Diploma (Rand Afrikaans University)

Mr Nomvete has obtained qualifications both locally and abroad. He was employed as a Business and IT Director at Saicom Phones and Transnet Limited, Sanlam and the NCR before joining the NCT in 2013 as ICT Manager. He is a member of EXCO as well as the ICT Steering Committee.



Ms Anel Burger

Registrar

Qualifications: LLB (North West University), LLM (North West University)

Ms Burger obtained her law degree as well as Masters degree in law and gained valuable experience over a period of nine years whilst practising as an attorney at various law firms in Pretoria. She first joined the NCT in the capacity of Senior Case Analyst in 2013 and was promoted to the position of Registrar in 2015. She is a member of EXCO.



Ms Carol Selepe

HR and Facilities Manager

Qualifications: BA (Public and Private Sector)(Cum Laude)(North West University), Honours degree (Industrial Psychology)(North West University)(Cum Laude) Master's degree (Industrial Psychology) (North West University)

After obtaining her B.A Degree in Industrial Psychology and Public Management, Ms Selepe obtained her Honours as well as Master's degree in Industrial Psychology. She started her HR career at Total SA where she quickly worked her way up to becoming HR Manager. During her career, she also had a short stint as HR Manager at Nedbank. Ms Selepe joined the NCT in June 2014 in the capacity of HR and Facilities Manager. She is a member of EXCO.

GLOSSARY OF TERMS

Complete Filing	A 'Complete' filing refers to a filed application where all the filing requirements were met as set out in Table 2 of the Rules for the Conduct of Matters before the National Consumer Tribunal published under GN789 in GG30225 of 28 August 2007 as amended by GenN428 in GG34405 OF 29 June 2011.
Debt re-arrangement application	An application in terms of section 138 of the NCA is an application for an order confirming a settlement reached as a consent order of the Tribunal after a matter has been resolved through an ombud with jurisdiction, a consumer court or an alternative dispute resolution agent, or after an investigation by the NCR or/and if the NCR and the Respondent agree to the terms of the proposed order. In accordance with the provisions of section 86 of the NCA, debt counsellors use the provisions of Section 138 to apply for confirmation of a DRA as a consent order of the Tribunal. In considering whether to make the DRA an (consent) order of the Tribunal, the Tribunal considers all aspects relating to the legality of the agreement. Amongst others, interest rates agreed upon and other factors such as affordability.
Directive	A directive is an instruction from a Tribunal member to the parties requesting that further documents be filed in support of an application or to clarify an issue with regards to an application filed.
Non-debt re-arrangement	A non-debt re-arrangement matter is an application or referral filed with the Tribunal, other than a debt re-arrangement matter. All other filings permitted to be made to the NCT are accordingly grouped under this classification.
Allocation:	To allocate a matter to a single member or three member Tribunal panel for hearing as required by the NCA.
Close of pleadings:	Pleadings is open for a set period of time after complete filing to allow the parties to file an answering and replying affidavit. After this period pleadings close and the matter is ready to be allocated for a hearing.
Condonation application:	<p>If a party fails to follow the Tribunal rules (for example file an answering affidavit outside of the permitted time period), such a party must apply to the Tribunal to condone non-compliance with its Rules. If the non-compliance is not condoned, the step will be irregular and disregarded.</p> <p>Interlocutory proceedings / applications (includes condonation applications)</p> <p>These are proceedings that deal with the rights of the parties between the commencement of the action and its final determination for example -</p> <ul style="list-style-type: none">• Apply for an extension of time for submitting pleadings• Amendments to pleadings• Additional answering and replying affidavits• Seek directions regarding the conduct of the case• Compel the other party to comply with the rules or directions or• Apply for interim relief or remedy etc.



national consumer tribunal

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