



Annual Report

2018/19



national consumer tribunal





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. The National Credit Amendment Act, Act No. 19 of 2014 (NCAA) came into effect on 13 March 2015 and further expanded the NCT's mandate.

VISION

To be known as an impartial, professional and easily accessible adjudicative public entity; contributing to sound commercial relationships based on certainty, trust and justice between consumers, services, and credit providers in South Africa.

MISSION

To be a highly efficient Tribunal providing timely access, professional adjudication and equitable redress to the consumer goods, services and credit industries in South Africa.

GUIDING PRINCIPLES

The NCT's guiding principles define its approach to adjudication and resonate closely with the NCT's values. These principles require that it conducts its hearings in a manner that is:

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

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NCT TEAM



NCT Team



PART A: GENERAL INFORMATION

GENERAL INFORMATION

Registered name	National Consumer 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 Information	Rakoma and Associates Incorporated
Bankers Information	Nedbank Ltd Reserve Bank of South Africa 370 Helen Joseph Street Pretoria 0002

LIST OF ABBREVIATIONS/ACRONYMS

AD	African Dialogue
ADR	Alternative Dispute Resolution
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BASA	Banking Association South Africa
BIG	Business Innovation Group
CCMA	Commission for Conciliation, Mediation and Arbitration
CCRD	Consumer and Corporate Regulation Division
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIPC	Companies and Intellectual Property Commission
CMS	Case Management System
COBIT	Control Objectives for Information and Related Technology
COO	Chief Operational Officer
CPA	Consumer Protection Act, Act No. 68 of 2008
CSE	Corporate Services Executive
CSI	Corporate Social Investment
CPI	Consumer Price Index
DCASA	Debt Counsellors Association of South Africa
DRA	Debt Re-arrangement Application
EAF	Enterprise Architecture Framework
ENE	Estimates of National Expenditure
EXCO	Executive Committee
FTC	Fair Trading Commission (Seychelles)
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ICT	Information and Communication Technology
IMF	International Monetary Fund
IoDSA	Institute of Directors South Africa

LIST OF ABBREVIATIONS/ACRONYMS CONTINUED

IYM	In-Year Management
King IV	King Code of Governance Principles and King Report on Governance
KPA	Key Performance Area
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
MPC	Monetary Policy Committee (of the South African Reserve Bank)
MTEF	Medium-Term Expenditure Framework
NCA	National Credit Act No 34 of 2005
NCAA	National Credit Amendment Act No 7 of 2019
NCC	National Consumer Commission
NCR	National Credit Regulator
NCT	National Consumer Tribunal
NERSA	National Energy Regulator of South Africa
NMU	Nelson Mandela University
NNR	National Nuclear Regulator
OHS	Occupational Health and Safety
PAJA	Promotion of Administrative Justice Act, Act No. 3 of 2000
PC	Portfolio Committee
PEO	Public Entity Oversight
PFMA	Public Finance Management Act, Act No.1 of 1999
PMI	Purchasing Managers Index
PMN	Pakistani Microfinance Network
POPI	Protection of Personal Information Act
SADC	Southern African Development Community
SAJEI	South African Judicial Education Institute
SAN	Storage Array Network
SARB	South African Reserve Bank
SLA	Service Level Agreement
the dti	Department of Trade and Industry
UCT	University of Cape Town
UFH	University of Fort Hare
UP	University of Pretoria
UWC	University of the Western Cape

FOREWORD BY THE MINISTER



Ebrahim Patel
Minister of Trade and Industry

It is my pleasure to present the annual report of the National Consumer Tribunal (NCT) for the 2018/19 financial year.

The results contained in this report coincide with the beginning of the 6th administration of the democratic South Africa.

The focus of the new administration is to boost economic growth and enable deeper levels of economic inclusion and transformation.

A new Department of Trade, Industry and Competition has been established, through a merger of **the dti** and Economic Development Department, which will drive the implementation of a more focused, high-impact industrial strategy.

Over the next five years, the focus will be on practical actions and improved governance, to pull our economy onto the higher growth levels we require to create decent work and entrepreneurial opportunities for many more South Africans, particularly young

people. There are no quick fixes if we want to build this high-growth, high-employment, high-inclusion economy.

Using the resources and mandate of the trade, industry and competition portfolio, we will support efforts to unleash private investment and energise the state to boost economic growth and inclusion. This is an essential part of building confidence and the platform for job-creation.

The NCT will have a critical role to play in this new industrial strategy, in creating a fair regulatory environment that supports consumer welfare and promotes investment, industrial and enterprise development in an equitable and sustainable manner.

As priorities for the new Administration we have outlined six focus areas in the trade, industry and competition portfolio, within which the NCT falls:

First, to support improved industrial performance, dynamism and competitiveness of local companies.

These include developing Master Plans in priority sectors to help create conducive conditions for industries to grow, improve their industrial capacities and sophistication, focus more on export orientation and reclaim domestic market space lost to imports.

The Master Plans will be action-oriented, developed and carried out in partnership with business and labour and implemented in stages, so that we can move expeditiously.

Second, to improve the levels of fixed investment in the economy

Over the five-year period from 2018/19, Government set a target of R1.4 trillion in new investment in the economy. The vast bulk of this must come from the private sector.

The state's role will be to enable higher levels of fixed investment (both domestic and foreign), through addressing infrastructure and skills gaps; and by partnering with the private sector through a range of incentives and financial packages.

Appropriate national measurement standards will help to attract greater levels of investment.

Third, to expand markets for our products and facilitate entry to those markets.

The single biggest initiative is the African Continental Free Trade Area (AfCFTA) which will connect 1.2 billion people into a single bloc where local products will be traded between countries, with minimal tariffs. These agreements lay the basis for increased intra-African trade and can cement the continent's position as the next growth frontier.

The implementation phase was launched on 7 July 2019, at a Special African Union Summit meeting in Niger, with the intention to come into effect on 1 July 2020.

The Agreement will fundamentally change and reshape the South African economy. Already, exports to other African countries support about 250 000 South African jobs and it is the fastest-growing market for our manufactured exports.

Fourth, to promote economic inclusion.

This means opening up and changing our market structure, to bring more young people, women and Black Industrialists into the economy.

To enhance the growth of black industrialists, we will combine the efforts of the Department and its agencies into a seamless and coordinated programme. Over the next 5 years, we will support an additional 400 Black Industrialists' projects with financial support of R40 billion, through identifying sustainable businesses and promoting both industrialists, new enterprise formation and worker involvement in the enterprises, using a combination of private and public sector resources.

Fifth, to promote more equitable spatial and industrial development.

A pillar of our industrial policy is to develop new investment clusters through special economic zones,

revitalisation of industrial sites and support for business and digital hubs.

Sixth, to improve the capability of the state.

This means being more responsive to the needs of South Africa's entrepreneurs, moving faster in making decisions and carrying out functions, coordinating better between departments and agencies and creating a business-encouraging environment in which more investment and more job creation can take place.

Part of a smart state is partnering with domestic businesses to invest more in innovation and R&D, as new techniques, new products and new distribution platforms can move South Africa up the value-chain and enhance job creation.

All public entities, including NCT will have to work with a greater sense of urgency to support government in achieving its ambitions for the new administration. This is what has been called the spirit of *khawuleza*, and it must define our approach both within Government and public entities to addressing the structures in the economy which impede growth, economic inclusion and job creation.

I thank the Chairperson and the Accounting Authority, Prof Mandla Maseko; Tribunal Members; management and the entire staff of the organisation; for their efforts in ensuring that the NCT delivers on its mandate in order to protect South African consumers while providing value to all its stakeholders.



Mr Ebrahim Patel
Minister of Trade and Industry

31 July 2019

EXECUTIVE CHAIRPERSON'S OVERVIEW



Prof Joseph Mandla Maseko
Executive Chairperson

INTRODUCTION

This is a significant second annual report of the National Consumer Tribunal (NCT) in my second year of tenure as Executive Chairperson of the NCT, as I continue to build on the work of the previous leadership in the eleven years of the NCT's existence. The experiences of the past financial year have given me the opportunity to fully appreciate the responsibility that goes with the office as well as to innovate efficient strategies to ensure that we remain a going and viable concern. This has awakened in me more passion and desire to serve the people of South Africa. On behalf of the NCT, I assure all our stakeholders about the maturity of the management and staff and their resilience in professionally executing their core mandate in their quest to optimise the provision of redress to the distressed consumers of our country through our adjudicative role.

It gives me great pleasure to present on behalf of the NCT, our Annual Report and the Audited Financial

Statements for the 2018/19 financial year. The purpose of this report is to give an account of the NCT's performance against set milestones; in line with its legislative mandate and reflect on some of the key achievements and challenges experienced during the period under review. The NCT continues to make great strides and discernible impact in the consumer credit market in South Africa.

PERFORMANCE HIGHLIGHTS AND CHALLENGES – A STRATEGIC OVERVIEW

During the period under review, the NCT received 24 884 cases, which exhibited a 0.8% decrease from the 24 952 cases received during the financial year 2017/2018. The majority of the cases filed with the Tribunal remained Debt Re-arrangement Applications (DRAs) representing approximately 99.3% of our total filings received.

We achieved some milestones during the period under review. The NCT worked tirelessly to ensure it provides timeous, service excellence to its stakeholders in line with its adjudicative mandate. This was achieved through the provision of expeditious finalisation of complete applications and referrals, remote filing from anywhere in the country through the e-filing system, through the Case Management System (CMS). This is a classic demonstration of the exploitation of the much talked about 4th Industrial Revolution (4IR). Debt counsellors around the country were trained in respect of the e-filing system in order to file applications remotely. This stance ensures that, unlike in the past, case information is captured once; at source; and does not have to be repeated within the case processing system.

We implemented our Access Strategy. This was for purposes of ensuring that consumers and debt counsellors and other users in the rural areas as well as townships are informed of the workings of the Tribunal; and the redress available to over-indebted and affected consumers. In this regard, we are still on the verge of concluding a number of Memoranda of Understanding (MoUs) with various stakeholders. These include Thusong Centres, the various

EXECUTIVE CHAIRPERSON'S OVERVIEW CONTINUED

Municipalities as well as the Tribal Authorities. And it is in order to extend our stakeholder footprint. We also intend to provide portals in strategic centres and locations that would facilitate access to the NCT's services by marginalised township and rural economies. The challenge in this regard is to be able to achieve this within the very stringent National Treasury precepts and standards. We are consummate sticklers to such precepts as they are guaranteed to save the public purse on disbursements and the budget in general.

During the period under review, the NCT accompanied the Department of Trade and Industry (**the dti**) in its provincial road shows, to all the provinces of South Africa in order to educate and create awareness about the functions of the Tribunal. Furthermore, we deployed delegates in Africa and overseas and interacted with Consumer Protection Agencies in the United Kingdom, Gambia and Seychelles to exchange our respective operations, learning experiences and best practices.

In relation to human resources, we experienced no challenges during this period. We also remained committed in our participation at the Collective Bargaining Forum established under the sterling leadership of **the dti**. This is in an endeavour to align the various employee benefits among **the dti** entities. The recognition of the trade union Public Servants Association (PSA) has necessitated the formation of a committee of shop stewards within the NCT. The NCT appreciates the existence of these structures as they are there to promote socio-economic justice and labour peace within the organisation.

FUTURE PLANS

There are several future plans within the NCT. One of these is the initiation of the already mentioned and commenced electronic Video Conferencing for the quarterly Tribunal workshops. This will also apply to Court hearings. During the period under review, this system, which is expected to ameliorate travel and accommodation costs, was initiated, piloted (tested) and subsequently implemented at a now growing scale.

Regarding stakeholder engagement, the NCT intends to sign MoU's with various stakeholders including Thusong Centres through its Access Strategy as indicated earlier.

The electronic Case Management System is being refined and the filing parties are being trained in navigating and remotely lodging their own cases. This will increase access to NCT's services.

It also so happens that during the implementation of the motion court process, filing parties, mainly the Debt Counsellors, were assisted in checking the accuracy of correctness and legal compliance of their Draft Orders. This had unwittingly resulted in the said filers considering the Tribunal (case managers and adjudicators) as part of their quality assurance functions. The larger and possibly better resourced filers were not part of this problem. It is the smaller ones and possibly under resourced filers that relinquished their legally defined role (of perfecting their filings) to the Tribunal – exploiting the generous assistance the Tribunal was affording them.

This phenomenon proved to be untenable. And filers were informed that such generosity had run its course and that from 1 August 2019; non-compliant applications would be refused in terms of the law. And a refused case would have to be filed afresh should the Applicant party wish to have another go. The only next compromise would be that, where the facts of the matter legally permit, the refusal would include some kind of "absolution from the instance". This enables a matter to be refiled once the reason for refusal, in the first instance, have been resolved. Otherwise, decided matters cannot be re-adjudicated in law under the maxim of *res iudicata* – in which the fire cannot burn the burnt thing twice.

Finally, in order to continually improve the quality of adjudication, the NCT has once again, secured another undertaking from the SAJEI will be training the Tribunal members in respect of the National Credit Amendment Act, No 7 of 2019. This Act was signed into law by the President on 16 August 2019.

EXECUTIVE CHAIRPERSON'S OVERVIEW CONTINUED

FISCAL PRUDENCE AND GOOD GOVERNANCE

The Tribunal subscribes to the principles of a clean administration. And to that effect, it maintains rigorous governance systems and processes. As indicated above, the NCT introduced various measures to reduce costs, including the introduction of video conferencing facilities for workshops and hearings. We also started seeing benefits of the case screening stage introduced in late 2017. That process is responsible for the shallow dip in the case referrals as opposed to a steady and steep growth. It ensures that cases that would otherwise clog the system as what used to be regarded as “incomplete” filing are eliminated. Such cases resulted in wasteful points in limine (points of law) and technical points argued accompanied with avoidable postponements and condonations for late filings and the like. It is in this way that fiscal prudence has been achieved.

The governance committees of the Tribunal held their meetings as scheduled and executed their responsibilities efficiently and effectively. And their recommendations were either implemented as recommended or placed in an implementation plan.

The Tribunal received its seventh consecutive clean audit during the period under review.

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

In total, a set of ten annual measurable objectives were set for the reporting period. All of them were achieved through a process of setting high standards for our staff, strict performance management for both staff and Tribunal members, pro-actively identifying risks and addressing these; as well as timeous implementation of appropriate action plans and corrective measures.

In addition, an Accounting Authority Committee has been established and its composition includes the Executive Chairperson, Chief Operations Officer (COO) and the three full-time Tribunal members. Its focus is to handle governance matters. Each of the full-time Tribunal members coordinates a function such as Training and Research, Opposed matters and Consent Orders (Motion Court). Besides those changes, the NCT continues to be supported by fully functioning governance committees, namely, the Audit and Risk Committee, Human Resources Governance Committee and the ICT Governance Committee. The Human Resources Committee also functions as a Performance Management Committee.

The NCT also introduced an internal Training Committee to oversee the interests of its employees in respect of training in order to empower themselves and enhance their careers. The Committee is headed by the COO. The existing operational committees, such as the Management Committee (MANCO) and the Executive Committee (EXCO) also continued to meet their respective functions as stipulated in their respective Charters.

Research continued to play a significant role in the execution of the mandate of the NCT. And we remain committed in this regard. A full-time Tribunal member oversees this particular area of focus in order to maintain our intellectual excellence. A customised two-day programme for Tribunal members in respect of Judgment writing was held during the financial year. It was conducted with the generous provision of the South African Judicial Education Institution (SAJEL) under the Office of the Chief Justice. We are deeply indebted to SAJEL management for such an invaluable contribution to the excellence of the NCT.

EXECUTIVE CHAIRPERSON'S OVERVIEW CONTINUED

ACKNOWLEDGEMENTS

We are sincerely grateful, first and foremost, to the Honourable Minister of Trade and Industry for trusting us with the scarce resources necessary to deliver justice between the consumers and suppliers. Furthermore, I also thank **the dti** team for their unwavering support, leadership and guidance to the NCT by ensuring that we steer in the correct path of executing our mandate and that we have the necessary resources to do so. I particularly underscore the support we received from the Consumer and Corporate Regulation Division (CCRD) and Public Entity Oversight (PEO) of **the dti** during this financial year. The Director-General has been at the helm and providing the general guidance all round; for the NCT and sister entities of **the dti**. For this, we also are grateful to him.

During the period under review, the NCT worked hand-in-glove with the erstwhile Select Committee on Trade & International Relations in the National Council of Provinces) and the Portfolio Committee on Trade and Industry (in the National Assembly). These are both committees in the two houses of Parliament. The interactive sessions that the Tribunal had with both Committees have been extremely fruitful. We are especially grateful to the Select Committee for their wisdom in shaping the mandate and mission of the NCT. Inputs from that Committee created the necessary awareness to the Tribunal, of the need to engage the Traditional Leadership in remote areas of our country. The implementation of this guidance has already started bearing fruit as we implement our access strategy.

I wish to express my sincere appreciation to the Former Chief Operating Officer, Ms Marelize Bosch for her invaluable contribution made to the organisation during the past eight years. Ms Bosch ensured that the NCT continued to achieve clean audits for the past six financial years.

Finally, special gratitude goes to all the Tribunal members, members of governance committees, the management team, permanent staff, interns and contractors for their commitment and diligence in ensuring that we execute our mandate successfully. None of the achievements mentioned above would have been realised without the contribution of every person involved. It humbles us greatly to realise the commitment and passion for the work that we steer in the organisation as people work with minimal and unobtrusive supervision. It just goes to show that when staff members are allowed space to express their inner genius, they automatically reveal their excellence for all to see.

CONCLUSION

While the primary role of the NCT is to ensure possible redress for consumers, where it is due, it continues to be our held view to ensure the imperative of justice for consumers and suppliers of credit; services and goods alike. It is not the intention or legal mandate of the NCT to find against businesses (in the guise of protecting consumers) but that businesses such as credit providers and suppliers of goods and services should provide credit; goods and services responsibly. Consumers should also be alive to the principle of fairness to providers of credit; goods and services. The NCT is opposed to corruption and injustice in any form whether perpetrated by consumers or credit providers.



Prof Joseph Mandla Maseko
Executive Chairperson
National Consumer Tribunal

31 July 2019

STRATEGIC OVERVIEW

GUIDING PRINCIPLES

The NCT's guiding principles define its approach to adjudication and are aligned and resonate closely with the NCT's values. These legislative provisions require that it conducts its hearings in a manner that is:

- Inquisitorial;
- Expeditious;
- Informal (within minimum legal dictates); and
- 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 the Republic of South Africa (Act No. 108 of 1996), particularly Chapter 10 on 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:

Integrity: Valuing justice, being ethical and truthful and acting impartially, without fear or favour, in all adjudications, issues of potential redress and interactions with our stakeholders;

Accessibility: Being known and available to serve our purpose and mandate, digitally, face to face or through partners in all parts of the country. Communicating clearly in simple language and responding appropriately in a timely manner. Being open to new ideas, thoughts, actions and taking the time to listen and understand our stakeholders' needs, expectations and interests;

Accountability: Being open and transparent with stakeholders and clearly communicating the basis upon which decisions are made. Accepting personal and collective responsibility for our actions;

Respect: Considering and valuing the diverse views of others, their principles, perceptions and constitutional rights as well as acknowledging their important role as stakeholders; and

Reliability: Delivering on our commitments and promises- doing what we say we will do, when we say we will do it!

KEY VALUE DRIVERS

The key value drivers of the NCT 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 2018/19 financial year:

- To be an ethical and people oriented organisation;
- Be service oriented, expeditious and easily accessible;
- Be bold pioneers and thought leaders;
- Create a safe, secure and enabling working environment;
- Provide learning and employment opportunities for the youth; and
- Learn from challenging peer reviews and evaluations.

STRATEGIC OVERVIEW CONTINUED

STRATEGIC OUTCOME-ORIENTATED GOALS

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

- To effectively and efficiently manage and adjudicate on matters brought to the NCT;
- To contribute to an efficient, effective and accessible Consumer regulation and adjudication; and
- To ensure effective and efficient Organisational management.

These goals provide clear direction to the NCT's work. 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 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 and fair business practice, 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 Republic of South Africa, under the Bill of Rights:

SECTION 32: ACCESS TO INFORMATION

1. Everyone has the right of access to
 - a) Any information held by the state; and
 - b) Any information that is held by another person and that is required for the exercise or protection of any rights.
2. National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.

SECTION 33: JUST ADMINISTRATIVE ACTION

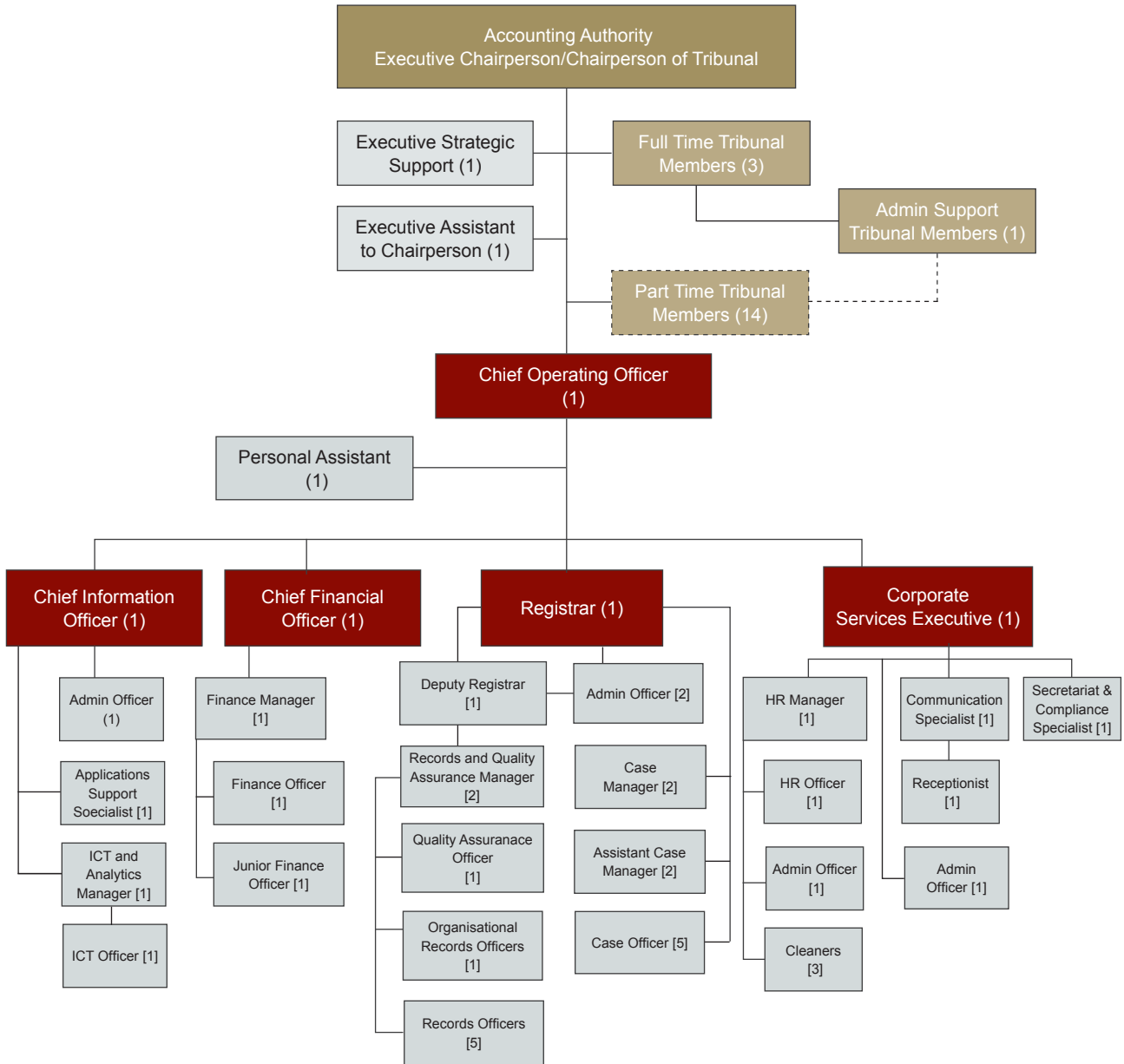
1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.
2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.
3. National legislation must be enacted to give effect to these rights, and must
 - a) Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal;
 - b) Impose a duty on the state to give effect to the rights in subsections (1) and (2); and
 - c) Promote an efficient administration.

SECTION 34: ACCESS TO COURTS

Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court or where appropriate, another independent and impartial tribunal or forum.

ORGANISATIONAL STRUCTURE

The organisational structure of the NCT as at 31 March 2019 was as follows:



Vacancies as at 31 March 2019
 Executive Strategic Support
 Case Officer



PART B: PERFORMANCE INFORMATION

PREDETERMINED OBJECTIVES

The External Auditor 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.

Refer to page 100 to 103 of the External Auditor's Report, published under Part E: Financial Information.

SITUATIONAL ANALYSIS

SERVICE DELIVERY ENVIRONMENT

The global economic environment over the past financial year 2018/19 was a mixture of positivity tempered with fears of a possible global economic meltdown. China continued to have very high quarterly economic growth rates of 6.7, 6.8, 6.7, and 6.5 percent, from the first quarter to the fourth quarter of 2018, respectively; their GDP economic growth rate for the first quarter of 2019 was 6.4 percent. In the US, they maintained their strong economic performance with quarterly economic growth rates of 2.3, 2.2, 4.2, and 3.4 percent, from the first quarter to the fourth quarter of 2018, respectively; their GDP economic growth rate for the first quarter of 2019 was 3.1 percent.

Meanwhile, the economic environment in South Africa was not as rosy as in some of the advanced economies already cited. The quarterly economic growth rates in South Africa were -2.7, -0.5, 2.6, and 1.4 percent, from the first quarter to the fourth quarter of 2018, respectively. South Africa's 2019 first quarter GDP economic growth rate showed a major contraction; shrinking by a very disappointing negative 3.2 percent (-3.2%), which is South Africa's worst/largest contraction in 10 years since the year 2009. The annual economic growth rate in China was 6.7 in 2018, it was 2.9 percent in the US in the 2018, and was a mere 0.8 percent in South Africa in 2018.

The 2018/19 financial year in South Africa started with both positive and negative sentiments. On the political front, there was political hope when President Cyril Matamela Ramaphosa took over as the new President of the Republic of South Africa earlier in the year 2018. The positive political sentiment influenced the position of the South African Rand, which strengthened to the highs of around R11.98 against the US dollar on the 21st of January 2018; and yet the same Rand had weakened to as much as R13.98 against the US dollar within a period of one year by the 21st of January 2019.

The positive political sentiment which came with the assumption of office of the new President was somehow dampened by the economic realities which saw the South African economy move into a second technical recession, in less than 12 months, in the third quarter of 2018, having had two consecutive quarterly negative growth rates, of -2.7 percent and -0.5 percent, in the first and second quarters respectively. A technical recession is the term informally used when a country has had two consecutive quarterly economic growth rates. South Africa had earlier fallen into another technical recession in the second quarter of 2017, after having had two quarterly negative growth rates in the fourth quarter of 2016 and the first quarter of 2017.

PREDETERMINED OBJECTIVES CONTINUED

Another economic indicator which reflected badly on this 2018/19 financial year was the official unemployment rate, which moved from 4.4 million in the first quarter of the year 2008 to 6.2 million eleven years later by the first quarter of 2019. According to Statistics South Africa, the proportion of those in long-term unemployment increased from 57 percent in the first quarter of the year 2008 to 69 percent by the first quarter of 2019, which marked an increase of 12 percentage points.

Closer scrutiny of major contributors to the 2018 technical recession showed that lower retail sales, lower business services, and lower financial services were, inter alia, part of the major contributors to the two consecutive quarterly negative economic growth rates in the first and second quarters of 2018. This points to the direction of lower consumer disposable incomes impacting negatively on the overall consumer buying power.

The economic situation somehow improved in the third and fourth quarters of 2018, with positive quarterly economic growth rate in both quarters. The expenditure on real GDP increased by 2.1 percent in the third quarter, followed by an increase of 1.6 percent in the fourth quarter. This saw the household final consumption expenditure increasing by 3.2 percent in the fourth quarter of 2018. This improved consumer environment was somehow undermined by gross fixed capital formation which decreased by 2.5 percent in the fourth quarter of 2018, which clearly indicated there remained less prospects for more job creation in the country, hence the continued depressed consumer market sentiments.

The levels of interest rates, especially the South African Reserve Bank's (SARB) repo rate have remained largely stable over this financial year 2018/19, despite the highly debated repo rate increase from 6.5 percent to 6.75 percent in November 2018. This saw the commercial banks' prime lending rates moving to 10.25 percent.

The reason why the levels of South African interest rates have remained largely stable have been because, on the whole, the levels of the inflation, the consumer price index (CPI), have remained fully within the Treasury's target inflation range of 3-6 percent throughout this financial year. The reason why the SARB uses the target inflation range approach in determining the appropriate repo rate is because higher inflation rates undermine the consumer's buying power, which in turn have two unacceptable outcomes for consumer markets, namely, it pushes up the demand for consumer credit which, due to normal forces of supply and demand, in turn leads to higher interest rates. It is for that reason the SARB increases the repo rate in order to make credit expensive so as to discourage unnecessary rise in credit demand. The other monetary policy implication of higher credit demand is that it increases the total money supply, which is usually referred to as the M3 in financial markets. South African private sector credit rose by 6.04 percent year-on-year in March 2019, and the broadly defined M3 measure of money supply increased by 6.94 in March 2019. These figures augur well with the SARB's mandate to maintain a low inflation environment in order to protect the consumer's real buying power levels.

It is important that we briefly look at the history of quarterly GDP economic growth rates in South Africa. In the past, before 2015, South Africa experienced say one quarter of negative economic growth rate at least 20 percent of the time. In 2015, 2016, and 2017 the number of quarters with negative economic growth grew to once every four quarters. In the year 2018, the situation worsened to two quarters of economic contraction in the first and the second quarter. The third and the fourth quarters had positive economic growth rates.

PREDETERMINED OBJECTIVES CONTINUED

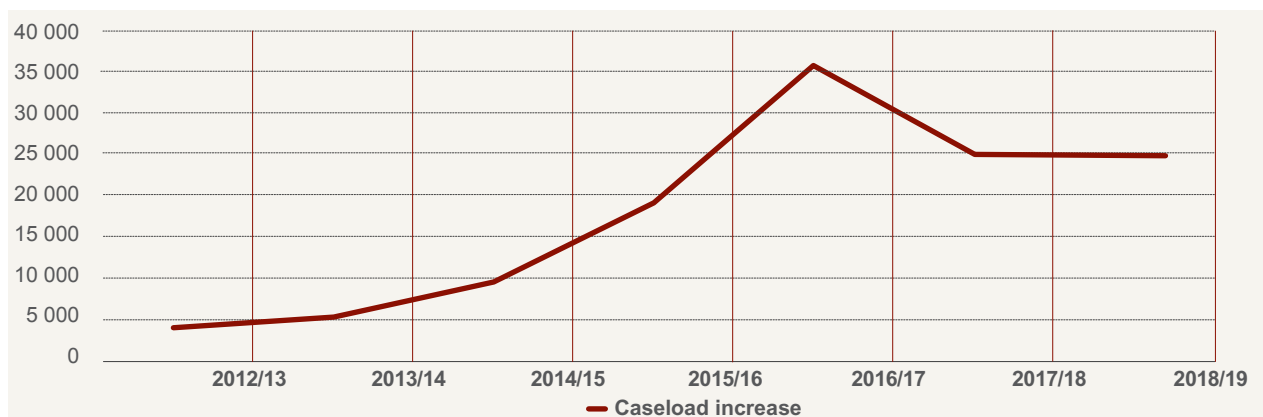
The last three months of our NCT Financial Year, January – March 2019, marked a turn for the worse for the South African economy. The first quarter of 2019 started with a very disappointing economic contraction, when the quarterly economic growth rate shrank by a negative 3.2 percent. The main reasons for this first quarter contraction was the very poor performance of most labor-intensive sectors: Agriculture shrank 13.2 percent, Mining shrank 10.8 percent, Manufacturing shrank 8.8 percent, Electricity shrank 6.9 percent, Transport shrank 4.4 percent, Trade shrank 3.6 percent, and Construction shrank 2.2 percent. The only sectors which had positive, albeit very low, economic growth rates in the first quarter of 2019 were Government Services at 1.2 percent, Finance at 1.1 percent, and Personal Services at 1.1 percent.

The difficult economic picture painted above about the South African economic environment forms the basis for the increased numbers of “consumers in financial distress”, that is, consumers who found themselves defaulting on their credit agreement obligations this past financial year 2018/19. This led to more debt rearrangement applications being lodged at the NCT, and being issued by the NCT, this past financial year 2018/19.

The economic outlook for the financial year 2019/20 does not look more promising either, as the SARB has by now already revised the 2019 predicted annual economic growth rates more than twice from about 1.5 percent, to 1.3 percent, and lately just a mere 1.0 percent. It is against this background that the National Parliament has passed a bill, the National Credit Amendment Bill which came into force on 16th August 2019, also popularly known as the Debt Intervention Bill, which will dictate the circumstances under which the credit grantors may be forced to write off certain consumer debts. This remains a contentious issue between the credit industry and the government; at the time of writing, the State President had not yet signed that bill into law.

ORGANISATIONAL ENVIRONMENT

Fig. 1 Caseload increase from 2012/13 to 2018/19



PREDETERMINED OBJECTIVES CONTINUED

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

THE FIRST NATIONAL CREDIT AMENDMENT ACT

The National Credit Amendment Act, Act No. 19 of 2014 (NCAA) amending the NCT's founding Act, the NCA, which expanded the NCT's jurisdiction over prohibited conduct, came into effect on 13 March 2015. 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:

- Removes the exclusion of offences from the definition of prohibited conduct and therefore extends the Tribunal's jurisdiction to matters that are 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; and
- Matters involving payment distribution agents and alternative dispute resolution agents as registrants.

The Tribunal received additional filings in terms of the National Credit Amendment Act during the period under review; for example, matters dealing with reckless lending.

AMENDMENTS TO THE RULES OF THE TRIBUNAL

Along with the First National Credit Amendment Act, the Tribunal's amended Rules were promulgated on 13 March 2015. These amendments to the Rules created greater efficiencies and assisted the Tribunal to better manage its resources, increase access and reduce the cost of access by initiating a process where parties can file electronically. The electronic filing system has been rolled out to filing parties to be utilised in the next financial year. A streamlined case management process further assisted the Tribunal to effectively and efficiently deal with its caseload despite an increase in the number of applications filed.

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:

- To effectively and efficiently manage and adjudicate on matters brought to the NCT;
- To contribute to an efficient, effective and accessible Consumer regulation and adjudication; and
- To ensure effective and efficient Organisational Management.

PREDETERMINED OBJECTIVES CONTINUED

STRATEGIC OBJECTIVES

The NCT bases its performance on its legislative mandate as set out in the NCA and CPA as well as its Annual Performance Plan (APP) 2018/19 and Business Plan 2018/19. 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 2018/19:

- To expedite service delivery through the expeditious finalisation of complete debt re-arrangement applications;
- To expedite service delivery through the expeditious finalisation of non-DRA applications and referrals;
- To ensure that the NCT decisions are substantially 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 ensure that the NCT is increasingly accessible to the people of South Africa;
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate;
- To enhance operational efficiency by implementing an enabling ICT architecture;
- To effectively and efficiently manage the financial resources of the NCT; and
- To expand economic opportunities for historically excluded and vulnerable groups.

The NCT's performance against these objectives is set out on page 25 to 68.

PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: ADJUDICATION

The purpose of this programme is to provide the necessary administrative, adjudicative and other 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; and
- **Adjudication** deals with both substantive and interlocutory applications. It ensures that competent, professional, impartial adjudicators are available to attend to matters that the procedures followed are fair and that adjudicators' decision-making is substantively sound, in accordance with legal precepts and requirements.

STRATEGIC OBJECTIVES

The NCT's performance against objectives is set out in the table below. The following strategic objectives were set for 2018/19 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 non-DRA applications and referrals;
- To ensure that NCT decisions are substantially and procedurally correct; and
- To build Tribunal capacity through research papers or approved briefing papers on consumer protection and credit related matters, added to the NCT knowledge database.

Table 1: Performance against predetermined objectives (Adjudication)

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of filing of DRA to date of issuing order to filing parties	≤ 80 days	69.78 days	Achieved. The Tribunal closely tracked its cases and ensured that matters were brought to finalisation as swiftly as possible.	N/A
	Average number of days from date of close of pleadings of non-DRA to date of issuing notice of set down to filing parties	≤ 25 days	10.39 days	Achieved. The Tribunal actively managed cases and engaged in internal strategies and interventions to ensure matters were heard in an expeditious manner.	N/A

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
	Average number of days from date of final adjudication of non-DRA to date of issuing judgement to filing parties	≤ 20 days	17.44 days	Achieved. The Tribunal closely tracked its cases and ensured that matters are brought to finalisation as swiftly as possible.	N/A
Ensuring that NCT decisions are substantively and procedurally correct and creating jurisprudence in consumer and credit matters	Development, refinement and implementation of an adjudication Quality model	Research conducted and adjudication quality model developed	Conducted research and developed an Adjudication Quality model	Achieved	N/A

CASE MANAGEMENT

INTRODUCTION

At present, there are approximately 35 different types of applications and 150 different types of prohibited conduct matters that may be brought to the NCT in terms of the NCA, CPA and Rules of the Tribunal. Applications may be brought by the NCR, the National Consumer Commission (NCC), consumers, credit bureaus, credit providers, debt counsellors, payment distribution agents, alternative dispute resolution agents and service providers.

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

The operational function of the Registrar's Office is central to the Tribunal delivering on its mandate, particularly in relation to expeditious case and records management processes.

The Registrar's Office is responsible for:

- Case management support;
- Provision of legal support and advice to the Tribunal in respect of organisational legal issues;
- Representation and advisory function on behalf of the Tribunal during internal labour proceedings, at labour forums and during court proceedings; and
- Management of the records functions by ensuring the availability of complete and secure records.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED



Office of the Registrar

OBJECTIVES FOR THE YEAR

Three strategic objectives were set in the Registrar's Office for the year, aligned to the NCT's overall strategic objectives. These were:

1) 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 and finalise matters filed with the Tribunal.

During the 2018/19 financial year, the Tribunal finalised 22 381 matters. The case management process differentiates itself based on whether the application filed is a Debt re-arrangement application or whether it is not a Debt re-arrangement application.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

DEBT RE-ARRANGEMENT APPLICATIONS

These are consent order applications filed by a registered Debt Counsellor and can be finalised without the hearing of evidence in terms of s138 of the National Credit Act. This allows the Tribunal to deal with these matters in chambers (as opposed to an open court). The Tribunal may grant, refuse or issue a directive on these applications. If it elects to grant the application, the Tribunal will issue an order confirming the re-arrangement of the consumer's debt which has been consented to by the creditors. On the filing of the application, the consumer's assets are secured from execution. This security lapses on the refusal of the application and is confirmed by the granting of the application. It is trite that the confirmation is subject to the consumer fulfilling its obligations under the re-arranged order. In effect, the consumer is protected when an application for debt review is received by the Tribunal. The Tribunal has a duty to finalise these matters expeditiously to ensure that its mandate is fulfilled.

In previous financial years, the Tribunal identified where the density of applications emanated and used this knowledge to strategically set up Motion Courts. During the 2018/19 financial year, the Tribunal innovated by creating a specialised chamber to deal with these matters. This meant that all debt re-arrangement matters will be adjudicated on at the offices of the Tribunal. The Tribunal further innovated by allowing these matters to be dealt with both at this specialised chamber and the private chambers of Tribunal Members. In essence, the groundwork was being laid for the continuous development of the case management system. The Tribunal as a result took a more proactive approach to receiving adjudication ready matters from debt counsellors. It further put processes and procedures in place for those debt counsellors that failed to comply.

The Tribunal finalised 22 228 debt re-arrangement matters during the period under review.

The financial year 2018/19 has set the ground work for dealing with applications from the private chambers of the Tribunal Members in 2019/20 which will increase adjudication at a decreased cost. This in essence was the purpose of the ICT intervention strategy.

NON DEBT RE-ARRANGEMENT APPLICATIONS

These are applications filed at the Tribunal that do not fall within the ambit of a debt re-arrangement nature. Non debt re-arrangement matters are thus; generally filed mostly by the Regulators (NCR and NCC), Consumers in certain circumstances and other Registrants insofar as the governing legislation allows.

The volume of this category of filing is substantially less than that of the DRAs, although these matters are substantively much more complex and resource-intensive than the debt re-arrangement matters. During the 2018/19 financial year, the Tribunal received 167 applications which make up 0.67 percent of the filings received by the Tribunal (167 applications of 24 884 applications). Although only 0.6 percent of the filings fall within the non-DRA category, the decisions or findings of the Tribunal has far-reaching consequences. These include influencing changes to the consumer credit and consumer industry and providing clarity with the interpretation of fairly new legislation.

An application which falls into this category requires a hearing of evidence to be placed before the Tribunal. This generally consists of the application filed with all supporting documentation, an answering and a replying affidavit. At the hearing, oral evidence can be presented and the usual procedural laws and the laws of evidence remain applicable. It is these matters that attract legal representation consisting of attorneys, junior advocates and senior counsel at times. The Tribunal application is designed for the most vulnerable of consumer. Applications are made by forms which are contained in the Regulations to the founding legislation. These forms direct the applicant in a way which ensures that salient information is included in their filing. The Tribunal further in 2018/19 solidified its' screening process. The benefit of this is evident in the statistics presented for the financial year. The Tribunal

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

only had to lapse one matter, which means that all other matters are capable of being thoroughly adjudicated on. The screening process goes even further than the support the application forms provide. The Tribunal responds to an attempted filing by way of a letter to the applicant explaining issues on the attempted filing thus guiding the applicant in filing a matter that can be adjudicated on both efficiently and effectively.

During the period under Review, the Tribunal dealt with 280 non-DRA applications (113 pending from the previous financial year and 167 new applications) and 153 applications were finalised. As at 31 March 2019, the Tribunal had 127 non-DRA matters pending.

To ensure expeditious service delivery, the Tribunal measures its performance against how efficiently it sets down a matter for hearing as well as how efficiently it issues judgments. The Tribunal has issued judgments at a turnaround time of 17.44 days from the date of final adjudication and has set down matters at a turnaround of 10.39 days from the date of close of pleadings. This has far exceeded the set targets for the Tribunal of a turnaround of 20 days and 30 days respectively.

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

Records have been safeguarded both electronically through digitisation and backed up electronically and physically using off-site storage facilities. The Tribunal has continued with its digitisation process during 2018/19 and digitised all submissions received. This is however an on-going activity. There has been a significant increase in the digital filing of debt re-arrangement applications. The Tribunal received 3 251 via the e-filing mechanism. The matters not filed by way of e-filing is uploaded and digitised by the Tribunal. These digitised records are easily retrievable via the CMS and other shared drives.

The Registrar's Office operates within its standing operating procedures in both case and records management. There are strict and observed rules of procedure that are followed to ensure that case records are continuously managed.

All case records and/or communications are received electronically through email and electronically directly on the Tribunal's case management system both of which are managed by the Registrar. The usual modes of physical delivery, postage and fax still apply. All records received manually are captured on the case management system and digitised.

Subject to the provisions of Promotion of Access to Information Act (PAIA) and the Protection of Personal Information Act (POPIA), the Tribunal has mechanisms through which any person (natural or juristic) may request any case record. And the judgments of the Tribunal are also published in a free public site – Southern African Legal Information Institution (SAFLII) at www.saflii.org.

3) To provide services as legal advisor to the Tribunal in respect of its operations, industrial relations and service provider service level agreements and disputes.

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; should the need arise. The Registrar's Office further keeps a register of all external appeals to ensure that the outcomes of these matters are tracked.

Finally, the Registrar's Office supports the NCT operations in the management of service level agreements entered into by the Tribunal and provides support to other business units in instances of breach of contract and specific performance matters.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Table 2: Case statistics for all cases filed at the Tribunal

Category	Total per category	Overall total
Total Cases C/O into 2017/18		7 293
a. Debt re-arrangements	7 180 ¹	
b. Non Debt re-arrangements	113 ²	
Total Cases filed 2017/18		24 884
a. Debt re-arrangements	24 717	
b. Non Debt re-arrangements	167	
Less Total Cases finalised		22 381
a. Debt re-arrangements	22 228	
b. Non Debt re-arrangements	153	
Total Cases Pending		9 796
a. Debt re-arrangements	9 669	
b. Non Debt re-arrangements	127	

¹ During 2018/19, the Tribunal embarked on a project to finalise matters not being brought for adjudication. This has been alluded to within this document as well as in the report for Quarter 4. The result of this was the finalisation of matters by adjudication or by the Registrar electing to lapse a matter for non-compliance. However previous orders were also provided by Debt Counsellors' which has now been digitised. This resulted in the updated figure for the carried over debt re-arrangement matters.

² The Tribunal can adjudicate on matters filed in terms of s148 of the National Credit Act. In instances where the Tribunal enjoys jurisdiction to hear this type of an application the judgment can resuscitate a finalised matter. This can happen were the Tribunal issues a condonation ruling refusing condonation for the late filing of the application. Due to the matter being finalised it cannot be carried over into the next period. The s148 appeal application can overturn the decision to refuse condonation; the initial application is then re-opened. This type of instance resulted in the updated carried over figure for the Non debt-re-arrangement matters.

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 Fig. 3).

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Fig. 2 Debt Re-arrangement Applications received per year from 2011/12 to 2018/19

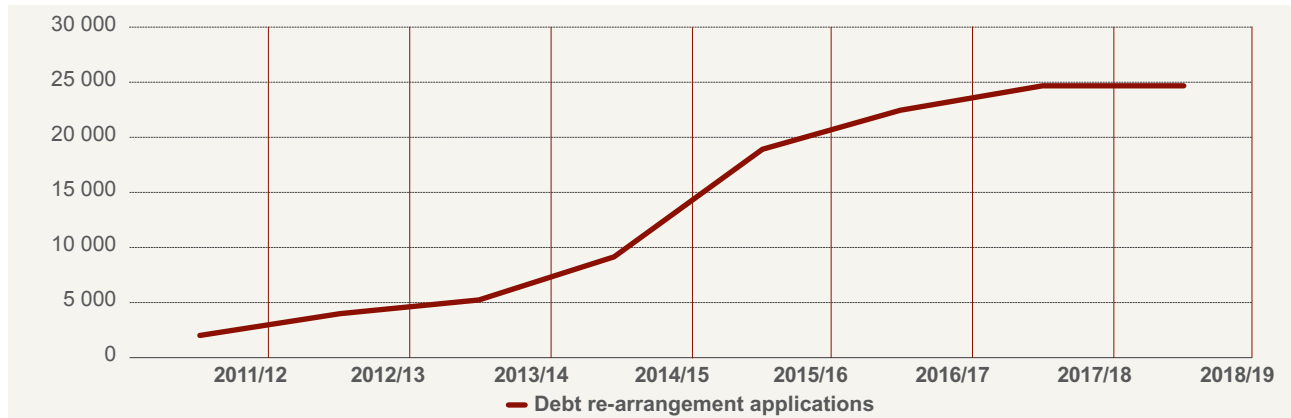
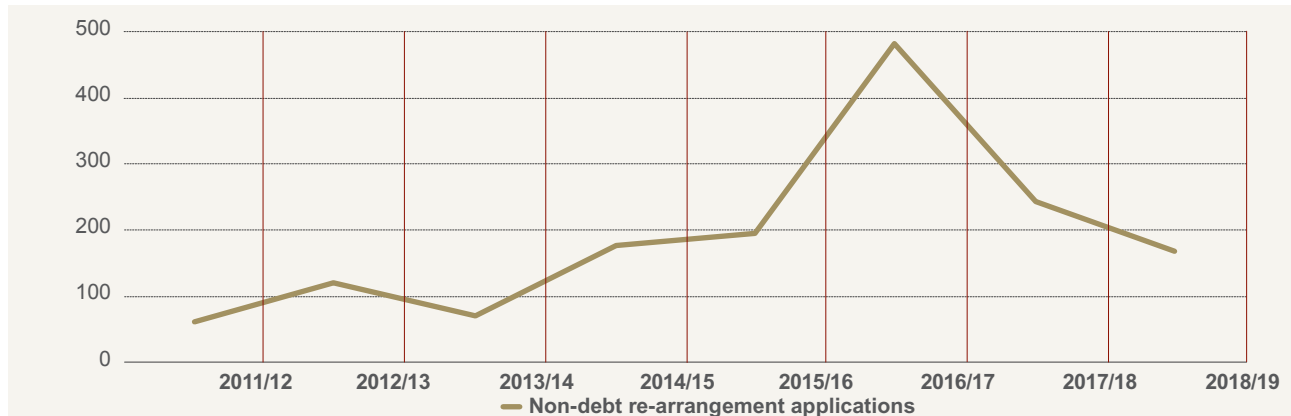


Fig. 3 Non debt Re-arrangement Applications received per year from 2011/12 to 2018/19



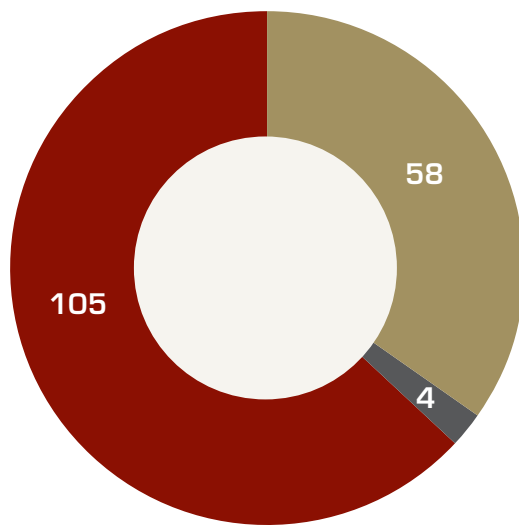
The above graphs depict the volume of debt re-arrangement matters received reaching its' stable point. In previous years, as can be seen in the above graph, the matters increased unpredictably year on year. The stability in filings allows the Tribunal to predict and plan more effectively to the benefit of the public. There has been a decrease of non debt re-arrangements applications. This is based on the success of the screening process implemented in this financial year. It ensures only cases meant for the Tribunal are heard at the Tribunal. Although the volume of Non debt re-arrangement filings reduced, the Tribunal only elected to lapse a single Non debt re-arrangement matter in this financial year. In the previous year, the Tribunal elected to lapse 68 matters due to non-compliance by the filer.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

NON DEBT RE-ARRANGEMENT STATISTICS

The Tribunal received 167 non-DRA cases in the financial year 2018/19, with non-regulatory filers filing the majority of the applications. The regulatory bodies accounted for 37, 12% of the non-DRA applications filed at the Tribunal by filing 62 (sixty two) out of the 167 applications. The majority of non debt re-arrangement applications are filed by non-regulatory filers amounting to 62 (88%).

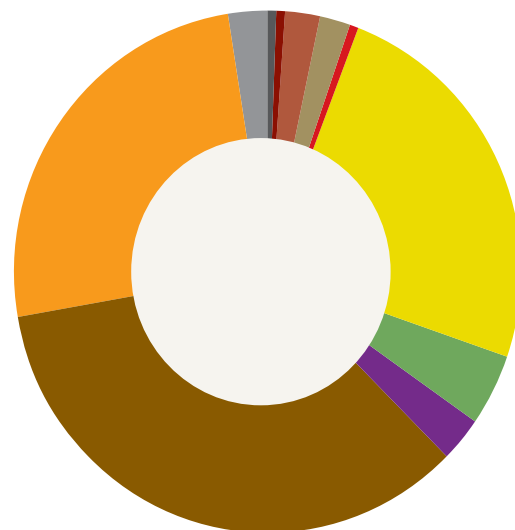
Fig. 4 Non-DRA cases received during 2018/19 categorised per filer-type



- NCR (58 Filings)
- NCR (4 Filings)
- Non-Regulatory Filers (105 Filings)

In addition, 121 of the 167 cases received, constituting 72.46% of the non-DRA filings, were NCA matters and 46 (27.54%) of the cases received were filed in terms of the CPA.

Fig. 5 NCA and CPA applications received



- Application to the National Consumer Tribunal for compensation from a pawnbroker in lieu of property (1)
- Review decision of the Regulator (1)
- Objection to a compliance notice (4)
- Non-Referral CPA (42)
- Application for certificate of prohibited conduct (3)
- Applications filed by the NCC (4)
- Interim Relief Applications (1)
- Rescission/Variation of Order (41)
- Appeal/Review against single member orders (7)
- Non-Referral NCA (5)
- Applications filed by the NCR (58)

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Table 3: Non-DRA applications filed during the year

Act Section	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
70(3)b Application for a consent order after dispute resolution by alternative dispute resolution agent	–	–	2	–	–	2
73(2)(b) NCC referrals	2	1	2	5	2	12
75(1)(b) Applications for leave to refer a non-referral directly	7	23	25	60	42	157
101 (1) Objection to a compliance notice	–	–	–	–	–	–
74(1) Application for consent order	–	–	–	–	2	2
100(6) Applications for the imposition of an administrative penalty following non-compliance with a compliance notice	–	–	–	–	–	–
114(1) Interim relief	–	–	–	–	–	–
Rule 4 – Certification of Class Action	–	1	–	1	–	2
60(3) Application by producer or importer to review A Notice issued by Commission in terms of Sections 60(2)	–	–	1	–	–	1
Total CPA applications	9	25	30	66	46	176
165(1) Rescission of variation of NCT order	53	43	100	91	41	328
137(3) Application upon failure of alternative dispute resolution	35	12	2	2	–	51
140(1) NCR referrals	15	38	15	14	20	102
56(1) Objection to a compliance notice	4	1	–	2	4	11
57(1) Cancellation of registration of registrant	25	15	19	22	35	116
115(1) Disputed entry on a statement	5	1	1	–	–	7
128(1) Review of a sale of goods	1	3	2	2	–	8
148(1) Appeals and reviews	14	2	2	6	7	31
149(1) Interim relief	3	29	4	7	1	44

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Act Section	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
59(1) Review of a decision by the NCR	3	–	3	2	1	9
71(3) Application by a consumer to review a decision not to issue or failure to issue a clearance certificate	1	5	2	6	–	14
141(1) Applications for leave to refer a non-referral directly	6	12	18	13	5	54
138 read with 135(b)(ii) Application for consent order after alternative dispute resolution	1	2	3	–	2	8
55(6) Failure to comply with a compliance notice	2	2	1	–	–	5
114(1) Application by a consumer upon failure to produce a statement	–	2	272	2	–	276
164(3) Application to the NCT for a certificate declaring conduct to be prohibited or required in terms of the Act	–	–	1	5	3	9
99(2) Application by a consumer for compensation from a pawnbroker in lieu of property	–	1	–	5	1	7
71(3) Application by a consumer to review a decision not to issue or failure to issue a clearance certificate	1	5	2	6	–	14
141(1) Applications for leave to refer a non-referral directly	6	12	18	13	5	54
138 read with 135(b)(ii) Application for consent order after alternative dispute resolution.	1	2	3	–	2	8
55(6) Failure to comply with a compliance notice	2	2	1	–	–	5

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Act Section	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
114(1) Application by a consumer upon failure to produce a statement	–	2	272	2	–	276
164(3) Application to the NCT for a certificate declaring conduct to be prohibited or required in terms of the Act	–	–	1	5	3	9
99(2) Application by a consumer for compensation from a pawnbroker in lieu of property	–	1	–	5	1	7
142 Application to limit obligations in respect of frivolous, vexatious or unreasonable requests	–	–	1	–	–	1
63(5) Application to review a decision regarding the languages used in credit documentation	–	–	–	–	–	–
Application by NCR for leave to refer without an investigation	–	–	–	–	1	1
Total NCA applications	168	168	446	179	121	1 082
Total applications filed	177	193	476	245	167	1 258

DEBT RE-ARRANGEMENT STATISTICS

The Tribunal received 24 717 new debt re-arrangement applications in 2018/19 and carried over 7 180 matters from 2017/18 amounting to 31 897 matters for the financial year. The Tribunal can only adjudicate on matters that are ready for adjudication. The Tribunal finalised 22 228 of these matters, which means that 9 669 will be carried over to 2019/20.

Adjudication is still dependent on a filer preparing a matter for adjudication and placing that matter before a Tribunal Member. The Tribunal has taken proactive steps in preparing e-filing matters for adjudication itself. In matters where the filer does not place matters before the Tribunal for adjudication, the Tribunal places the filer on terms to submit the application or withdraw in the event that they do not wish to proceed with the application. As a result of the above, the Tribunal adjudicated 18 814 applications and issued orders; 770 matters were withdrawn by the applicants and 2 644 lapsed as applicants failed to submit the application for adjudication after being placed on terms. The Tribunal adjudicated on 100% of these matters.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

The Tribunal centralised its adjudication forum to chambers within the Tribunal. Towards the end of the financial year, the Tribunal utilised Tribunal Members' private chambers on occasion. Apart from the cost containment benefit of travel, the Tribunal noted that a member was able to finalise more matters on a day. The above strategies were perfectly adopted to assist the change management processes of eventual online adjudication. This will allow Tribunal Members to adjudicate at any time and at any place. It was critical to introduce change in the manner done as it allowed any issues to be cleared prior to online adjudication. It further allowed filers to understand the system and the processes involved.

Table 4: Debt Re-arrangement Statistics 2018/19

Status	Sub total	Total
Total Matters carried over into 2018/19		7 180
Total Matters received in 2018/19		24 717
Total Matters finalised in 2018/19		22 228
(a) Orders	18 814	
(b) Withdrawals	770	
(c) Lapsed ³	2 644	
Total Pending Matters as at end 2018/19		9 669
(a) Matters prior to 2018/19	302	
(b) Matters 2018/19	9 367	

³ Prior to the implementation of the screening process, a matter would be regarded as incomplete if it did not meet the filing requirements as set out in the Tribunal's Rules and its tables. In such an instance, the matter would be received as if it is an application and a filer provided with an opportunity to provide the documents which were outstanding in terms of the filing requirements. If the filing party is unable to provide the information required, the matter could not be considered as it does not contain all necessary documents and information. The matter would then be lapsed and as such finalised after a period of time.

ADJUDICATION

Introduction

In accordance with section 27 of the NCA as amended, the core function of the Tribunal is adjudication. This section provides that the NCT's function is to adjudicate on applications and referrals of prohibited conduct filed with it in terms of the NCA and the CPA. 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 can then make certain orders in terms of section 150 of the NCA in respect of matters it adjudicated.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

TRIBUNAL MEMBERS

The President of the Republic of South Africa appoints Tribunal members to fulfil the Tribunal's adjudicative function. The composition of the Tribunal includes 18 members: three full-time and 14 part-time Tribunal members, excluding the Executive Chairperson. Once the selection and recommendation process has gone through Cabinet, the President then delegates this function to the Minister of Trade and Industry.

A review of the CVs of the Tribunal members (see Annexure A on pages 145 to 156 of this Report) illustrates this group's wide range of qualifications and experience.

- Prof Joseph M. Maseko – Executive Chairperson
- Dr Laura Best – Part-time Member & Deputy Chairperson
- Adv. John R. Simpson – Full-time Member
- Mr Andisa Potwana – Full-time Member
- Ms Hazel V. Devraj – Full-time Member
- Ms Maleho Nkomo – Part-time Member
- Mr Trevor Bailey – Part-time Member
- Ms Diane R. Terblanche – Part-time Member
- Ms Penelope Beck – Part-time Member
- Ms Xolela C. May – Part-time Member
- Prof Bonke C. Dumisa – Part-time Member
- Mr Fungai K. Sibanda – Part-time Member
- Adv. Frans K. Manamela – Part-time Member
- Ms Nomfundo Maseti – Part-time Member
- Adv. Neo H. Sephoti – Part-time Member
- Prof Kasturi Moodaliyar – Part-time Member
- Prof Tanya Woker – Part-time Member
- Dr Maria Peenze – Part-time Member

The Tribunal members responsible for the adjudication of cases are subject to the Constitution of the Republic of South Africa, the law, and the NCT's performance management system. They also operate in terms of formal performance agreements, guided by the Tribunal's core values, Code of Ethics and Conflict of Interest Policy.

TRIBUNAL MEMBERS



Prof Joseph Maseko
Executive Chairperson



Dr Laura Best
Part-time Member and
Deputy Chairperson



Prof Bonke Dumisa
Part-time Member



Ms Diane Terblanche
Part-time Member



Mr Fungai Sibanda
Part-time Member



Ms Penelope Beck
Part-time Member



Adv. Frans K. Manamela
Part-time Member



Adv. Neo Sephoti
Part-time Member



Prof Tanya Woker
Part-time Member



Ms Hazel Devraj
Full-time Member



Adv. John Simpson
Full-time Member



Mr Andisa Potwana
Full-time Member



Ms Nomfundo Maseti
Part-time Member



Ms Maleho Nkomo
Part-time Member



Prof Kasturi Moodaliyar
Part-time Member



Dr. Adv. Maria Peenze
Part-time Member



Mr Trevor Bailey
Part-time Member

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

THE ADJUDICATION PROCESS

Table 5: Adjudication statistics

Total Non-DRA's finalised 2018/19	153
Judgments issued	95
Applications Withdrawn	23
Applications Lapsed	1
Matters Settled and Confirmed	19
Appeal upheld	1
Condonation refused	8
Certificate of Prohibited Conduct	4
Settled in High Court	1
Overtured in High Court	1
Internal appeals/reviews filed 2017/18	7
Appeals/Reviews Upheld	3
Appeals/Reviews Dismissed	2
Withdrawn	0
Pending	2
External from 2007 to 31 March 2018	37⁴
Appeals/Reviews Upheld	5
Appeals/Reviews Dismissed	10
Pending	17
Settled	3
Withdrawn	2

4. Although table 4 only lists 36 appeals, line item 18 was a matter where two decisions were made by the Appeal Court. The Respondent in the court a quo appealed the Tribunal's finding that it contravened the National Credit Act and the Applicant in the Court a quo cross appealed the Tribunal's finding of not imposing an administrative fine. The Appeal was upheld and the cross appeal dismissed. This is why there are 37 outcomes to 36 matters.

APPEALS AND REVIEWS

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. If an external appeal or review is against the decision of a three-member Tribunal panel, the 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 single member decisions are taken on appeal or review

In total, seven decisions were taken on internal appeal or review in 2018/19 with only two of these matters pending. Three internal appeals were upheld and two dismissed.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Table 6: Non-DRA decisions taken on appeal or review from 2007 to 31 March 2019

No.	NCT Application	Appeal Court case no.	Appeal 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 upheld	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)	Dismissed (HC)	March 2012
3	NCR v Christopher Bornman and others NCT/656/2010/57(1)(P)	Christopher Bornman and others v NCR 798/2012 (Supreme Court of Appeal)	Dismissed (SCA)	March 2013
4	NCR v Petrus Martinus Ferreira NCT/166/2008/57(1)(P)	PM Ferreira v NCR 51467/2010 (North Gauteng High Court)	Dismissed	December 2011
5	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)	Dismissed (HC)	March 2013
6	Barko Financial Services (Pty) Ltd v NCR NCT/743/2010/56(1)(P)	Barko Financial Services (Pty) Ltd v NCR 415/2013 (Supreme Court of Appeal)	Dismissed (SCA)	18 September 2014
7	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)	Dismissed	April 2014
8	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
9	JW van Zyl v NCR NCT/3868/2012/57(1)	JW van Zyl v NCR AR620/13 (KwaZulu-Natal High Court)	Withdrawn	1 September 2014

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
10	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
11	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)	Matter to be set down for hearing	Pending
12	NCR v Capitec Bank Limited NCT/9152/2013/140(1)	NCR v Capitec Bank Limited & The NCT A440/14 (North Gauteng High Court)	Dismissed	February 2016
13	NCC v Univision Services NPC & 11 others NCT/19486/2014/73(2)(b)	Univision NPC & Others v NCC & NCT. 97574/2015 (North Gauteng High Court)	Upheld in the High Court	November 2016
14	NCC v Univision Services NPC & 11 others NCT/19486/2014/73(2)(b)	Univision NPC & Others v NCC & NCT. 97574/2015 (SCA)	The decision of High Court Appeal taken to SCA by NCC and the SCA confirmed the Tribunal's decision Dismissed	28 March 2018
15	Moneyline Financial Services v The National Credit Regulator NCT/17884/2014/57(1)	Moneyline Financial Services v The National Credit Regulator A440/16 (North Gauteng High Court)	Argued in December 2018 Pending	Pending
16	Motswai v House and home NCT/33263/2015/75(1)(B)	Shoprite Checkers (Pty) Ltd t/a House & Home v Penny Beck – Paxton N.O & 4 Others 71787/16 (North Gauteng High Court)	The parties reached a settlement agreement, which was made an order of the High Court	November 2016
17	NCR v Lewis Stores & Monarch Insurance Ltd NCT/27651/2015/140	Lewis Stores (Pty) Ltd v NCR & the National Consumer Tribunal A694/16 (North Gauteng High Court)	Settled by the parties in High Court Settled	4 May 2018

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
18	NCR v South African Fraud Prevention Services NPCNCT/23181/2015/140(1)	South African Fraud Prevention Service v The National Credit Regulator	Cross Appeal Dismissed and Appeal upheld	17 November 2017
19	NCR v EZ Trade NCT 38719/2016/57(1)	Micro Finance South Africa & Banking Association SA NPC v NCR and 2 Others	Leave to intervene granted. Set down for hearing on 3 December 2018 Pending	Pending
20	NCR v Lewis Stores (Pty) Ltd NCT 41671/2015/140(1)	NCR v Lewis Stores (Pty) Ltd & the National Consumer Tribunal A333/2017(North Gauteng High Court)	Appeal in High Court failed. Appeal dismissed	30 April 2018
21	NCR v Lewis Stores (Pty) Ltd NCT 41671/2015/140(1)	NCR v Lewis Stores (Pty) Ltd & the National Consumer Tribunal (SCA)	Pending	Pending
22	NCR v Edcon Limited NCT35738/2015/140(1)	Edcon Holding v The National Consumer Tribunal & The National Credit Regulator Case Number: A237/17	Appeal successful. The findings of the Tribunal has been set aside	2 May 2018
23	NCR v Edcon Limited NCT35738/2015/140(1)	The National Credit Regulator v Edcon Holding and the National Consumer Tribunal (SCA)	Pending	Pending
24	NCR v Shoprite Investments Limited NCT 34926/2015/140(1)	Shoprite Investments Limited v NCR Case Number: A509/17	Pending	Pending
25	NCR v Hua Xiang Cash Loans CC NCT 76166/2017/57(1)	Hua Xiang Cash Loans CC vs National Consumer Tribunal and 2 Others	Pending	Pending
26	Makete Judah Letsoalo vs Wesbank a division of Firstrand Bank limited NCT 82802/2017/128	Makete Judah Letsoalo vs NCT and 2 Others Case Number: 77923/17	Pending	Pending
27	Ian Eugene Romer Wason Coretta Makhaza vs Absa Bank Limited and 16 Others NCT39021/2016/138(1)	Coretta Makhaza vs Ian Eugene Romer Wason and 16 Others Case Number: 23967/18	Pending	Pending

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

No.	NCT Application	Appeal Court case no.	Appeal Court decision	Date of judgment
28	Pfumedzo Ramakumba v Debt matters (Pty) Ltd and 5 others	Pfumedzo Ramakumba v Debt matters (Pty) Ltd and 5 others 5364/2018 (HC)	Pending	Pending
29	Marese Fourie v African Bank and 4 others	Marese Fourie v African Bank and 4 others 50756/2018	Pending	Pending
30	Preyesh Balgobind v Benay Sager and 8 others	Preyesh Balgobind v Benay Sager and 8 others (HC) 19321/2017	Withdrawn	3 December 2018
31	National Credit Regulator vs Deborah Anne Solomon	National Credit Regulator vs Deborah Anne Solomon A397/2017 (HC)	Appeal successful	19 October 2018
32	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others. NCT99345/2018/141	Lewis Stores (Pty) Ltd vs Summit Financial Partners (Pty) Ltd and 2 others. A355/2018 (HC)	Set down for 30 July 2019 Pending	Pending
33	Information technology Consultants (PTY) LTD T/A Intercon and 2 Others vs National Credit Regulator and Another No case number – Tribunal cited due to Intercon having an interest in many Tribunal cases	Information technology Consultants (PTY) LTD T/A Intercon and 2 Others vs National Credit Regulator and Another 38994/2018 (HC)	Pending	Pending
34	Legobela John Maake v Diesel Performance Truck & Bus (Pty) Ltd NCT101328/2018/75(1)(b)	Legobela John Maake v Diesel Performance Truck & Bus (Pty) Ltd 85199/2018 (HC)	Pending	Pending
35	Volkswagen Financial Services SA vs National Consumer Tribunal and National Credit Regulator NCT 94937/2017/56(1)	Volkswagen Financial Services SA vs National Consumer Tribunal and National Credit Regulator A104/19 (HC)	Pending	Pending
36	National Credit Regulator vs National Consumer Tribunal and Tshilidzi Swuhana NCT96402/2015/59(1)	National Credit Regulator vs National Consumer Tribunal and Tshilidzi Swuhana A114/19	Pending	Pending

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

NOTABLE JUDGEMENTS

VOLKSWAGEN FINANCIAL SERVICES SA VS THE NATIONAL CREDIT REGULATOR NCT/94937/2017/56(1)

This matter was brought by VW against the National Credit Regulator after the latter had issued a Compliance Notice. The compliance notice had alleged that the applicant was charging consumers an “on the road” or administration/handling fee against the provisions of the National Credit Act. The Regulator required the Applicant to desist from charging these fees and to refund all consumers who were charged these ‘unlawful’ fees. The Applicant contended that the fees were charged by the dealers to the consumers in a separate agreement, that the dealer does not act as their agent and that they did not derive any benefits from such fees.

The Tribunal found that the “on the road” fees were indeed prohibited charges under the Act, the Tribunal therefore confirmed the Compliance Notice issued by the Regulator and also order the Applicant to refund all affected consumers as per the Compliance Notice.

Impact of the Judgment on the consumer–credit market.

This judgment has far reaching implications not only for this Respondent, but for all credit providers involved in financing in the motor industry. This judgment places a duty on all credit providers in the motor vehicle industry not to provide credit for charges that are prohibited under the National Credit Act. The applicant has since filed a Notice of Appeal in the High Court.

LITTLEWOOD BUILDING AND GARDEN PROJECTS CC VS HYUNDAI AUTOMOTIVE SOUTH AFRICA (PTY) LTD t/a HYUNDAI SPRINGFIELD NCT/87578/2017/75(1)(b)

The Applicant is represented by its main member in this leave to refer application. It purchased a new 2013 IX 35 Executive from the Respondent in July 2013. On delivery it noted various issues. The applicant initially approached MIOSA in 2013 and thereafter referred the matter to the NCC. The NCC issued a Notice of non-referral due to prescription by the NCC. Applicant prayed for refund in terms of s56 of the CPA due to the defects of the vehicle. Respondent alleged that by the Applicant allowing the Respondent to effect repairs on the vehicle s56 is no longer applicable. The applicant was offered a replacement gearbox in terms of the implied repair warranty. A single member of the Tribunal elected to dismiss the matter due to prescription as the complaint was only laid with the NCC on 31 May 2017.

The consumer then appealed to a three member panel of the Tribunal. The appeal was successful. The Tribunal panel held that the single member did not take into account all avenues of prescription or prospects. The matter was then heard on merits. The panel however confirmed that the issue of defects was not contested by the Respondent. The Respondent was ordered to pay R341 855,98 to the Applicant and the Applicant must return the vehicle to the dealership.

Impact of the Judgment on the consumer–credit market.

This judgment gives meaning to the drafting of legislation as it confirms the election that a consumer has on how they require a defect be resolved.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

NATIONAL CONSUMER COMMISSION VS HERONBRIDGE COLLEGE NPC NCT/111464/2018/73(2)(b)

The National Consumer Commission Applicant) launched an application against Heronbridge College NPC (Respondent) at the National Consumer Tribunal. In this matter the complainant paid a deposit for fees that were due to be returned at the end of the school year provided a full terms notice is given (as per the contract of enrolment). The complainant then notified the Respondent 20 days prior to the completion of the last term that he intends removing his children from the school as he was relocating. The Respondent refused to return the full deposit paid and offered a 25% refund (ex gratia) which the complainant declined. The Respondent based its decision not to refund the full amount on the contractual obligation imposed on the complainant. The Applicant relied on s14 of the Consumer Protection Act, stating that at least 20 days' notice must be given to cancel a fixed term contract. It further stated that sufficient notice had been given and the respondent should refund the full amount. The case was analysed on whether or not the circumstances above amount to a fixed term contract as contemplated in s14 of the CPA.

The Tribunal held that s14 of the CPA does not apply to the current set of circumstances for the following reasons:

1. The Respondent does not require re-enrolment at the end of each year. If it was, then placement could be certain at the end of each year; and
2. The date of completion of studies cannot be fixed.

Impact of the Judgment on the consumer–credit market.

This judgment focused on the application of fixed term contracts under the Consumer Protection Act and whether or not contractual terms can apply in place of the provisions of the CPA. In this matter it was found that no fixed term agreement existed therefore there was no need to determine which would take precedence.

NATIONAL CREDIT REGULATOR VS GABA CASH LOANS CC (NCT/91475/2017/57(1)) [2018] ZANCT 76

This was an application to the Tribunal to cancel the registration of Gaba Cash Loans CC from Mthatha, Eastern Cape for overcharging consumers credit fees and using unlawful collection methods and failing to comply with the provisions of the National Credit Act No 34 of 2005. The credit provider was found to have failed to conduct affordability assessments thereby extending credit to the consumers recklessly. The credit provider will compel the consumers to: consent to the jurisdiction of the Magistrates Court, consent to an emoluments attachment order, make them waive of all their consumer rights and renounce any legal exceptions available to them, and demand that the consumers hand over their bank cards together with pin numbers as well as their original identity documents.

The registration of the credit provider was cancelled for having repeatedly contravened the law and an administrative fine of R350 000 was imposed. Auditors were appointed to ascertain the list of all consumers who were overcharged fees, interest and charges for the purposes of effecting refunds.

Impact of the Judgment on the consumer–credit market

This judgment again cemented the rights of consumers when it comes to the lending practices of micro lenders. These consumers are seen to be the most vulnerable and it was essential that the judgment was clear on the type of lending practices that are prohibited by the National Credit Act.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

NATIONAL CREDIT REGULATOR VS CHENE AND FRED CECIL HARTNEY (NCT/104573/2018/140(1)) [2018] ZANCT 86

Chene and Fred Cecil Hartney operated as unregistered credit providers by extending credit to consumers in the area of Toekomsrus, Randfontein in Gauteng. The regulator was alerted to the unlawful conduct by the South African Police Service. Chene and Fred would exploit consumers by extending credit that could lead to their over-indebtedness. They would do this by retaining the consumers' SASSA cards and withdrawing monies from consumers' accounts. The Tribunal found them to have engaged in prohibited conduct as they were:

- i. conducting business as credit providers, and offering and extending credit without being registered as credit providers;
- ii. did not conduct proper affordability assessments and entered into credit agreements without assessing the consumers' debt repayment history and existing financial means in that they did not conduct credit bureau checks at the time of entering into the credit agreements with the consumers. This failure to conduct affordability assessments and credit checks amounted to reckless lending of credit to consumers who could not afford them;
- iii. failed to provide consumers with a pre-agreement statement and quotation in the prescribed form and failed to disclose the costs of credit;
- iv. failed to keep the records of documentation as proof of the affordability assessment, consumer bank statements, salary slips and credit profiles for the veracity of the consumers' income and debt obligations;
- v. charged consumers 50% in interest in excess of what the Act prescribes; and
- vi. were found in possession of consumers SASSA card and were caught withdrawing monies from consumers' SASSA accounts utilising the instruments retained.

The conduct of Chene and Fred Cecil Hartney was held to have repeatedly contravened the Act and Regulations and declared to be prohibited conduct. They were interdicted from further engaging in such conduct and ordered to pay an administrative fine of R100 000.00.

Impact of the Judgment on the consumer–credit market

This judgment had to entrench the rights of consumers as per the National Credit Act. Unregistered credit providers are regarded as the most unscrupulous and the judgment had to make sure that a message is sent to all other unregistered credit providers. It was also a warning to vulnerable consumers as using unregistered credit providers meant the latter was not bound by any laws, especially the National Credit Act which is meant to protect them.

NCT-116557/2018/140 NATIONAL CREDIT REGULATOR V FISCAL MARKET (PTY) LTD

The Applicant brought an application in terms of section 140 (1) of the National Credit Act No 34 of 2005 for an order to declare the Respondent to be in repeated contravention of the certain sections of the Act and consequently for those actions to be declared prohibited conduct in terms of section 150(a) of the NCA. The matter was heard on a default basis.

The Applicant's application was triggered by an advertisement by the Respondent purporting to offer low interest rates to SASSA consumers. The Applicant, upon investigation, found the Respondent to have engaged in various contraventions of the NCA and not in any manner consistent with the Act.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

The Tribunal upon consideration of the unchallenged and uncontroverted submissions found the Respondent to have engaged in repeated contravention of the relevant provisions of the NCA by:

1. engaging in reckless credit lending;
2. failing to make pre-agreement disclosures;
3. using the wrong form as opposed to the one proposed by the NCA, in concluding credit agreements; and
4. unlawfully advertising credit.

The Respondent was ordered to pay an administrative fine of R50 000 (fifty thousand rands) within 60 business days of the date on which the judgment is issued.

Impact of the judgment on the consumer–credit market

The judgment is significant in the promotion of responsible credit granting in the marketplace and promotion of consumer rights in South Africa. As credit providers become more aware of what is regarded as prohibited conduct they will be more inclined to align their business strategy with the provisions of the binding legislation.

THEODORUS VONK VS WILLOW CREST MOTORS CC NCT/115078/2018/75(1)(b)

The Applicant brought an application in terms of section 72 (1) (a) of the Consumer Protection Act, 2008 (CPA) for leave to refer his complaint to the National Consumer Tribunal after it had been non-referred by the National Consumer Commission. The Applicant obtained leave of the Tribunal to refer his application to the Tribunal. The Applicant purchased a vehicle of which was said to be in “excellent all round condition”. A voetstoots clause was initially included in the agreement with the Respondent. The vehicle began to exhibit numerous issues and attempts at assistance and/or resolutions proved unsuccessful and the applicant made the repairs at a total cost of R81 259.00.

The Tribunal found the Respondent to have engaged in prohibited conduct by illegally attempting to include voetstoots clause in agreements and having total disregard of the Applicant/consumer’s request for repairs.

The Respondent was ordered to refund the Applicant all costs incurred for repairs.

Impact of the judgment on the consumer–credit market

The judgment is significant in the promotion of responsible market conduct in the marketplace and promotion of consumer rights in South Africa. Credit providers become aware that they must act in a manner that is required by the relevant legislation and refrain from attempts at including illegal and unethical clauses in agreements as this amounts to prohibited conduct.

NATIONAL CONSUMER COMMISSION VS HIGHENDS TRADING AND PROJECTS (PTY) LTD t/a HIGHENDS AUTO SERVICES NCT/101932/2018/73(2)(b)

The National Consumer Commission Applicant) launched an application against Highends Trading and Projects (Pty) Ltd t/a Highends Auto Services (Respondent) in the National Consumer Tribunal. In this matter the complainant initially took his car to the Respondent to have the cambelt of the vehicle and was informed that his oil pump required a replacement as well. At some point between replacement of these parts the engine ceased to function and further repairs required. The matter was set down and then postponed sine die as the Respondent wished to have the matter settled however a settlement was never forthcoming. The Applicant relied on s65(2)(a) and (b) or in the alternative 56(3) of the Consumer Protection Act.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

The Tribunal noted that the attempt at a settlement or lack thereof on the part of the Respondent was but a delay tactic and found the Respondent to have engaged in prohibited conduct and ordered that the vehicle be repaired to good working order free of any defect, failure to do this within 90 days of judgment would lead to an administrative fine of R150 000.00 (one hundred and fifty thousand rands).

Impact of the Judgment on the consumer–credit market

The Tribunal must exercise fairness and impartiality in the execution of its mandate. The order serves as a deterrent for suppliers who disregard their responsibilities in terms of the binding legislation and further as a reminder that a supplier must always account for a consumer's property and render the services requested.

SHUWANA V NATIONAL CREDIT REGULATOR NCT 96402/2017/59(1)

The Applicant is previously registered as a debt counsellor and brought his application in terms of section 59 (1) of the Act to review the respondent's decision in terms of section 46 (5) of the Act to deregister the Applicant as a debt counsellor. The Applicant's grounds for review are that there is no debt re-arrangement order on which the respondent could have based its decision to deregister the applicant because the applicant had withdrawn his debt re-arrangement application; and also the applicant has a family to support and is required to pay employees' salaries. The respondent's decision to deregister the applicant should therefore have been the last alternative after all possible alternatives had been considered.

The Tribunal found that since the Magistrate's Court did not make an order in terms of section 86 (7) (c), it follows that the debt counsellor's recommendation had no legal effect. The applicant was therefore not subject to debt re-arrangement as contemplated in sections 86 and 87 as envisaged by section 46 (4) (b) to deregister the applicant in terms of section 46 (5). Consequently, the respondent erred in deregistering the applicant in terms of section 46 (5).

The Tribunal therefore ordered that the respondent's decision to deregister the applicant as a debt counsellor in terms of section 46 (5) of the Act be set aside.

Impact of the judgment on the consumer–credit market

The judgment clarifies the provisions of the National Credit Act in relation to de-registration of a Debt Counsellor.

GXARISA AND ANOTHER V GARDNER AND OTHERS (NCT/121006/2018/165)

This was an application in terms of section 165 of the National Credit Act 34 of 2005 for variation of an order by the Tribunal. The application was against an order granted by a single member of the Tribunal in accordance with section 138 (1) of the National Credit Act, read with section 86 (8) (a) of the Act. The Tribunal dealt with the issue of the Applicant's request, relying on s165(c), that the order be rescinded.

The Applicants cited change of financial circumstances as the reason for seeking a rescission and as well as their understanding, upon being informed by the Debt Counsellor, that they could opt out of the process once they were "no longer over-indebted".

The Tribunal found that the mistake that the Applicants alleged was not common to all the parties to the proceedings.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

The application was also refused as the Tribunal does not have jurisdiction to deal with such applications. In terms of Section 86(7)(b) of the NCA; the Tribunal only adjudicates debt re-arrangement applications involving consumers who are not over-indebted but are “experiencing, or likely to experience, difficulty satisfying” their obligations in a timely manner. Consequently; the statement that the Applicants rely on cannot be applicable to them as their application was brought before the Tribunal.

Impact of the judgment on the consumer–credit market

The judgment clarifies the provisions of the National Credit Act in relation to rescission or variation of debt review orders as well as the jurisdiction of the Tribunal.

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 to the operations of the NCT;
- **Office of the COO** – provides operational direction and manages the operations of the NCT;
- **Financial Management** – provides support to the NCT with respect to forecasting, budgeting, financial resource allocation, oversight and management;
- **Information and Communication Technology** – provides support to the NCT by ensure that the appropriate technology architecture, electronic communication channels and other associated information resources and services are available to ensure that the NCT is able to operate efficiently and in a secure manner;
- **Corporate Services** – collaborates across departments to gain both the synergies of utilising diverse skills and expertise to develop integrated, holistic solutions to business needs as well as to reduce costs through the leveraging of efficiencies in administration, systems and people;
 - **Corporate Services: Human Resources and Facilities (HR)** – The HR Unit provides support to the NCT to ensure that the right people are available at the right time with the right competencies to ensure that the NCT is able to execute on its mandate, whilst simultaneously ensuring the safety, development and wellness of its employees;
 - **Corporate Services: Communication** – The Communications Unit 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. This ensures that all internal and external stakeholders are well informed about the mandate and functioning of the NCT, inclusive of adjudicative decisions that have been made. This allows for regulatory activities of other stakeholders to be effectively aligned to those of the NCT. A change in approach has encouraged a broader focus on Communications where all senior managers, not just the Executive Chairperson, are encouraged to contribute to the communications process; and
 - **Corporate Service: Compliance and Risk Management** – manage compliance, good governance and effective risk management through oversight and a focus on behavioural change.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

STRATEGIC OBJECTIVES

The following strategic objectives were set for 2018/19:

- To ensure cooperation and partnership amongst external stakeholders through on going engagement;
- To ensure that the NCT is increasingly accessible to the people of South Africa;
- To ensure that the Tribunal has adequate human resources to deliver in accordance with its mandate;
- To enhance operational efficiency by implementing an enabling ICT architecture;
- To effectively and efficiently manage the financial resources of the NCT; and
- To expand economic opportunities for historically excluded and vulnerable groups.

Table 7: performance against predetermined objectives (administration)

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
Co-operation and partnership between stakeholders	Number of structured interactions and engagements with external stakeholders including events, structured meetings and joint forums at which presentations were delivered	16 engagements	55 Engagements	Over achieved. The rollout of the CMS required more structured engagements with debt counsellors to promote easier access to Tribunal services. Also, the development of the National Credit Amendment Bill, 2018 (B 30 - 2018) required the NCT to participate and make presentations at the countrywide National Provincial briefings and public hearings.	N/A
Access	Development, refinement and implementation of an access strategy and plan	Access Strategy and plan developed	Access Strategy and Plan developed	Achieved	N/A
Adequate Human Resources to fulfil NCT mandate	Percentage positions filled on approved organisational structure	85%	95.67%	Over achieved. The Tribunal managed to fill most vacant positions and had only two resignations for the financial year.	N/A

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Output	Performance Measure or Indicator	Annual Target	Actual Achievement	Reason for Variance	Corrective Action
An ICT Enterprise Architecture that supports, enables and meets NCT's requirements	Percentage availability of business applications to users during business hours	98% availability of business applications during business hours	99.66%	Over achieved. Systems availability continues to be closely monitored and maintenance of systems is attended to proactively to ensure continuous availability.	N/A
Detailed financial management information	Achievement of milestones in the development of an advanced accounting system approved by the Executive Chairperson	Advanced accounting system refined	Enhancements and improvements fully implemented by 31 March 2019	Achieved	N/A
Youth with employable skills and experience	Number of interns employed through structured opportunities created for youth development	7	12	Over-achieved. The Tribunal managed to appoint more interns than anticipated.	N/A

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

THE OFFICE OF THE EXECUTIVE CHAIRPERSON (EC)



The Office of the Executive Chairperson

The Executive Chairperson provides strategic direction and oversight on the operations of the NCT and is appointed by the President of the Republic of South Africa on the referral of the Minister of Trade and Industry. As a Tribunal member, the Chairperson also fulfils an adjudicative function. He is responsible for managing the adjudication process in terms of the NCA, CPA and other applicable legislation. All judgements are automatically internally perused by the Executive Chairperson's Office to promote consistency and high quality judgements.

The Executive Chairperson's role as the Accounting Authority is discussed on page 70 and in this role, is responsible for ensuring that sound governance is maintained at the NCT. He is further responsible for providing requisite strategic leadership in establishing policies, systems and operating procedures and oversight over all aspects of the Tribunal, whether it be adjudication, governance or operations.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

THE OFFICE OF THE CHIEF OPERATION OFFICER (COO)



The Office of the Chief Operation Officer

The COO provides overall operational direction and management over 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 planning and monitoring the NCT's operations 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. In addition, the COO provides leadership and guidance to the Tribunal's executive team in execution of their respective functions and responsibilities.

The COO is the main spokesperson of the Tribunal and plays a leading role in the Tribunal's communications, supported by the Corporate Services team. The focus of the NCT's communication is to facilitate greater awareness of its 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.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

THE OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO)



The Office of the Chief Financial Officer

The financial management of the NCT is the responsibility of the Finance Unit under the management of the Chief Financial 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 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 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 Executive Committee (EXCO) on an on-going and pro-active basis. This enabled the NCT to re-evaluate

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

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. Payments will accordingly only be processed on sign-off by the relevant Manager confirming the above.

To implement the appropriate actions to ensure accurate forecasting and budgeting

Due to the financial constraints of the South African Government, it is crucial that the NCT ensures that budgets are prepared accurately and that 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. A budget model was developed and approved for implementation in April 2016 and has been implemented and refined.

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 are 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 programs and an alternative funding model

Due to the continuous increase in the caseload beyond the expectations of the NCT, the Tribunal is operating on a tight budget to ensure that it can adjudicate on cases brought before it and to realise its mandate.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)



The Office of the Information and Communications Technology

The ICT Unit is responsible for providing the NCT with systems and services which will enable business processes to operate in an efficient and effective manner as well as have 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 and business applications experienced no significant outages and accordingly supported the NCT in the achievement of its mandate.

NCT ICT being an enabling support unit for the business set five strategic goals for the 2018/19 period; to ensure it effectively supports the NCT to meet its goals and objectives; as set out by the 2018/19 annual performance plan (APP); and the organisation wide Business Plan. Each of these goals are catalogued below accompanied by an explanation of what took place during this period to ensure the goal objectives were achieved.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

To ensure that the ICT Enterprise Architecture supports, enables and meets the NCT's business requirements

In order to meet this goal, the NCT ICT Unit, in conjunction with Business, identified nine key business applications for this period. And these are used enterprise-wide; to ensure that the NCT users have the electronic tools to meet their business needs. Because of the criticality of operations, the ICT Unit has a measurement to ensure that availability of these systems is $\geq 98\%$ during business hours. These include:

- The mail exchange server, which is the central hub allowing the organisation's users to send/receive emails internally and externally at all times. The configuration of the NCT mail sub-system has been set up in such a manner as to allow for rapid recovery without loss of emails from unforeseen circumstances given the critical nature of this tool as a communications medium;
- The Case Management System, which allows for the electronic handling of the processes adopted for managing NCT cases. This includes capturing and registering of cases onto the system, updating/tracking of case status, and reporting. This system is made available both to internal and external users. It underpins the core mandate of the NCT in terms of the National Credit Act;
- The Exclaim system, which enables the organisation to track and report on its compliance checklists electronically in line with the approved policies and procedures of the organisation. This output is used for ensuring that the NCT provides accurate and comprehensive information to its stakeholders on the status of the organisation as and when required;
- The SharePoint system, which provides a central controlled information repository for organisational business documents and information. It also allows users to track changes made to documents for control purposes and, as such, is used within the NCT as a central electronic library for coordinated management of information;
- The VIP Employee Self Service system, which is an electronic workflow tool used for managing the requesting, approvals reporting and tracking of employees leave types on an ongoing base;
- The VIP HR system, which is the records management system for all employee HR related activities and overall reporting of HR statistics such as employment equity figures;
- The Pastel system, which is the NCT Payroll and Supply Chain management system for the NCT;
- The Incident Management system, which is used as an electronic help desk tool for users to log problems and get them resolved through ICT. The system provides for the opening of a ticket, logging the fault, tracking the fault to a conclusion and closing the ticket; and
- The Remote Desktop Services system, which allows for users from any remote location to sign on to their user profile and have the same availability and access and experience to services on the NCT ICT systems infrastructure as if they were accessing systems locally in the NCT offices.

For the 2018/19 period, the above applications had an average availability of 99.69% to the users during business hours.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

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

Further emphasis was placed in the 2018/19 period to refine key components of the Case Management System in production. The key focal points for continuous improvement included:

- The CMS web service that allows external filers who already have a system to be able to send applications using a programming interface. This facility means a filer can send through a large number of applications without the need to capture the information in the conventional e-filing forms provided on the system. This capability is aimed at those filers with systems that do not wish to have to recapture application information a second time into the NCT e-filing system;
- An automated online adjudication system which allows for the Tribunal Members to access the Case Management System online from anywhere and adjudicated on Debt Rearrangement (DRA) cases. The cases which are already filed electronically are then allocated online to Tribunal Members who then sign on and view the application and supporting documents electronically and make a decision to grant/refuse and issue an order to the filing parties via the system. This capability leads to improved throughput and turnaround times for the Tribunal Members in terms of processing Debt Rearrangement applications as they can perform these tasks from anywhere at any time. The subsystem has been undergoing refinements and we are in the change management and migration phase with the Tribunal members;
- Continuous training and support for external filing parties to submit Debt Rearrangement applications electronically via the case management system. This involves several processes on behalf of the filer which include:
 - Registering on the system;
 - The setting up of a user account which the filer signs on to;
 - The e-purse payments for submission of applications;
 - Reporting for the filer to track application submissions, payments and status; and
- Publicity and change management initiatives were undertaken with debt counsellors on a frequent basis to get them comfortable in using this online e-filing capability to submit applications.

Emphasis was also placed on Integration of historic case record data into the Case Management System (CMS) centralised database for all cases captured prior to 1 April 2015 which was the date when our automated Case Management System went live. This allowed us to have one centralised repository for all cases submitted to the NCT since the organisation's inception, which facilitates and streamlines our ability to manage and report on case data.

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

The continued management of the segmented network infrastructure of the NCT ICT was enacted during this period thus ensuring NCT systems and applications were continuously protected against intrusions. Stringent security vetting of external inbound traffic from the wide area network continues to be handled by our fire wall and proxy server which has ensured that no significant security breaches took place and the integrity of sensitive data was maintained.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

Through the continued effective maintenance of our Microsoft windows based active directory database configuration, the Trend Micro anti-virus software and our firewall policy rules we experienced no security breaches during the reporting period. In addition, we purchased a fully supported vulnerability assessment tool which for the period was run on weekly bases on the NCT ICT infrastructure, based on the weekly reports produced which highlight where the potential vulnerabilities are located. We would then institute a regular patching process to address these shortcomings.

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

The change management goal focus in the 2018/19 financial year continued in terms of delivering awareness programmes to assist debt counsellors to migrate from manually filing applications to the NCT Case Management e-filing system. Although this has been slow more and more Debt counsellors have registered on the e-filing system and are submitting applications electronically via this method. We are currently in the process of phasing out the process of allowing filers to manually submit applications and indicating to filers that we will only receive these via the case management system electronic interface.

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

The four key structures that addressed this goal during the reporting period included the ICT Steering Committee, whose primary focus was on the projects, the NCT's EXCO, NCT's Manco, and the ICT Governance Committee. ICT continued to pro-actively identify, review, and report on risks utilising the NCT's Risk Management process.

Through the appointed disaster recovery service provider, the ICT Unit conducted a detailed data recovery exercise in Quarter 1 and 3 of the 2018/19 financial year. User acceptance 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 a disaster recovery capability, the installed generator which powers all servers, power over Ethernet points, the firewall, a reduced number of switches, routers and printers has worked well, thus ensuring further resilience and adequate systems availability during the times that power outages have been 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 as the UPS system has an operational window of up to 1 hour. The failover for the systems and users during these times was seamless.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

ICT STEERING COMMITTEE

The ICT Steering Committee, comprising four members, continued to effectively operate 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 for the organisation to implement effective measures and control mechanisms to govern its ICT programmes. The ICT Steering Committee is one such instrument used to achieve this goal. Two Committee meetings were held during which the Chief Information Officer (CIO) reported back on progress made with project implementation.

MEMBERSHIP AND ATTENDANCE

Member	Capacity	Number of meetings attended
Ms M Bosch (Chairperson)	COO	2 of 2
Mr B Nomvete	CIO	2 of 2
Mr A Moolla	CFO	2 of 2
Mr L Rabotapi	Registrar	2 of 2
Adv. N Lolwane	Corporate Services Executive	1 of 2
Mr B Nkhumise	ICT and Analytics Manager	2 of 2

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.



ICT Steering Committee

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

THE OFFICE OF THE CORPORATE SERVICES EXECUTIVE (CSE)



The Office of the Corporate Services Executive

Corporate Services incorporates the departments of the Secretariat and Compliance Specialist, Human Resources and Communications. The CSE is responsible for compliance of the NCT with all applicable legislation and obligations as set out in the various Acts, policies and standard operating procedures as well as establishing relevant internal controls. In addition, the CSE is responsible for HR management, overseeing communications activities, logistics and administrative support, as supported by the various departments within this unit. 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 CSE's responsibilities. These items are discussed on page 72 of this report.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

CORPORATE SERVICES: HUMAN RESOURCES AND FACILITIES MANAGEMENT

The working environment is a key component in providing a fulfilling work experience to staff members and as a result, Facilities must be adequate and comply with Health and Safety Regulations. The key custodian in this regard rests with the CSE and the Facilities and Human Resources Manager. The Human Resources Management function also forms part of the CSE's portfolio and requires diligence and expertise in partnering with management to maximize organisational performance. The Human Resources Team closely collaborates with the CSE's office in providing a stern and professional organisational HR service.

The caseload rate is continuously on a rise and has a direct impact on the Tribunal's operations and staff. Collaborative solutions are constantly developed between Line Management and the Corporate Services Unit to effectively ensure that operations continue undisrupted and to enhance sustainability.

In light of the above, the goals of the HR and Facilities Department were set out in the 2018/19 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. The Tribunal filled 98% positions during the 2018/19 financial year. In addition, thirteen young people were appointed in various departments as Interns. These interns participated in a structured programme, including on-the-job training. The internship 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

The Human Resources Department, as part of the Corporate Services Unit, successfully implemented an employee wellness and health programme. The HR Department also used the results obtained from the online Organisational Culture and Engagement Survey to develop an action plan to improve overall employee engagement.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

To anticipate future business and environmental demands on the NCT and to provide Human Resource capacity to satisfy those demands and fulfill the NCT's mandate

The performance of all NCT Tribunal members and staff continued to be managed through the use of 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 as well as temporary agency staff to ensure healthy and sustainable work distribution.

To shape a values-based culture that champions high performance and service excellence

The HR Department reviewed all applicable HR policies and procedures to ensure compliance with employment-related legislation and regulations. In addition, HR ensured that NCT employees' inputs were obtained through a consultative process in relation to policy changes that may impact on the relevant employees. A clarification session on policies changes was held in conjunction with the Secretariat and Compliance Specialist. The Employee Forum also provides an additional platform for staff members to raise concerns they may have. All HR policies and procedures served before the HR Governance Committee for expert input and recommendation to the Executive Chairperson. The recommendations from an external service provider relating to all HR policies and procedures have been taken into consideration and implemented where applicable. The full report on the activities of the HR Department are set out in Part D: Human Resources.

To establish effective and efficient HR Administration to facilitate and inform accurate HR data and reporting

The NCT implemented a system developed by Sage VIP to automate the performance review system. The VIP HR Performance Management module is used for bi-annually performance reviews.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

STAKEHOLDER RELATIONS

Stakeholder engagement is salient in ensuring that the NCT effectively monitors and improves its efficiency. Key stakeholders include **the dti**, Tribunal Members and staff, committee members, as well as other regulatory entities and the public. During the reporting period, the NCT had 58 engagements with external stakeholders.

REGULATORY ENTITIES

The NCT engaged with various regulatory entities ranging from local and international, public as well as civil societies through the United Nations Conference on Trade and Development (UNTAD) on how to effectively provide redress to aggrieved parties, The study tour of the United Kingdom with Portfolio Committee on Trade and Industry which was at the time considering amending the National Credit Act 34 of 2006 (NCA) in order to include a debt intervention process, which was going to be similar to that prevailing in the United Kingdom, at the time. The Tribunal further engaged with a South African non-profit organisation known as the Consumer Financial Education Foundation (CONFEF) that supports financial sector development and financial inclusion through advocacy and assistance. The NCT attended Parliament on numerous occasions during the past financial year, including meetings with the Portfolio Committee on debt relief measures and the finalisation of the Debt Relief Bill. In addition, the NCT had discussions with the Minister of Trade and Industry regarding enhancing economic participation and fostering compliance in the consumer credit market. The NCT also participated in the National B-BBEE Rural and Township Economic Summit in East London aimed at addressing challenges experienced by small, medium, and micro enterprises (SMMEs), entrepreneurs, cooperatives and previously marginalised communities with the aim of developing sustainable solutions and skills to grow the economy. From this summit the NCT developed part of its Access Strategy earmarked at improving access to the Tribunal Services by rural and township economies.

EDUCATIONAL INSTITUTIONS

During the reporting period, the Tribunal, engaged with a variety of educational institutions, including the University of Limpopo (UL), University of North West (NW) (Potchefstroom and Mafikeng Campuses), University of Venda (UV), University of South Africa (UNISA), and University of Fort Hare (UFH) to encourage research youth development on consumer credit policies and to discuss the curriculum of consumer courses taught at these institutions, as well as make students aware of the Tribunal and the variety of careers within its regulatory environment.

FILING PARTIES

To facilitate access to the Tribunal services as well as managing stakeholder perceptions due to the increasing caseload during the previous financial years, it was necessary for the Tribunal to engage frequently with filing parties, especially the Debt Counsellors and Debt Counsellors Association of South Africa (DCASA). The Tribunal had 27 strategic engagements with debt counsellors around the country, in all the provinces to advise and train them of the process of automated filling through the CMS and operations of Motion Courts 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. The Tribunal further engaged consumers throughout the country in all the provinces in sixteen engagements, four on the role of the Tribunal through **the dti** education and awareness project and twelve on the National Provincial briefings and public hearings of the National Credit Amendment Bill, 2018 (B 30 - 2018). The NCT attended together with other industry regulators a seminar on consumer redress in the motor industry with the aim of developing short and long-term solutions towards having an effective consumer complaints handling system for the South African motor industry.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

MEDIA HOUSES

In an endeavor to increase awareness and access to Tribunal services, the Tribunal had three engagements through consumer rights shows, radio stations as well as print media with Pretoria National Press Club. The media engagements were earmarked at educating journalists to improve the quality of reporting as well as educate consumers about the Tribunal services.

OTHER ENGAGEMENTS

The Tribunal participated in the dti Collective Bargaining engagements as part of the labour movement towards continually improving the labour conditions as well as establishing engagement channels to facilitate dialogues among employers and employees as well as the greater dti entities. Wage negotiations commenced during the financial year between the employer entities and Labour in order to address the annual salary increases as well as other labour demands.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There were no areas of underperformance during the reporting period.

CHANGES TO PLANNED TARGETS

The NCT's Strategic Plan for 2018/19 – 2022/23 and Annual Performance Plan (APP) for 2018/19 – 2020/21 were approved by the Minister of Trade and Industry.

Table 8: Linking performance with budgets

Programme	2017/18			2018/19		
	Budget R'000	Actual expenditure R'000	(Over)/ under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
Adjudication	30 417	31 317	(900)	32 179	32 095	84
Administration	32 876	33 088	(212)	35 962	33 089	2 873
Total	63 293	64 405	(1 112)	68 141	65 184	2 957

The increase in adjudication expenditure by only 2.4% can be attributed to an increase in employee-related costs in the Registrar's Office and an increase in the number of full-time Tribunal members. An additional Tribunal Member was remunerated for 12 months in the 2018/19 financial year as compared to 9 months in the previous year.

The increase in administration costs year on year amounts to a 1% increase, in addition there was a R2.8 million saving against the budget. The minimal increase in expenditure year on year and the under expenditure on the budget was due to intentional measures to contain costs.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

At an overall level expenditure came in under budget to the amount of R2.9 million. The intention was to contain costs as we did not receive the anticipated cases resulting in a shortfall of revenue amounting to R6.3 million. Consequently the NCT had to implement measures to contain costs and realise savings in areas which could be controlled. Motion courts which were held country wide were discontinued and significant savings were realized in travel and accommodation costs. By adjusting our processes the NCT was still able to achieve all the targets as set out in the Annual Performance Plan.

REVENUE COLLECTION

Table 9: Revenue collection

Revenue source	2017/18			2018/19		
	Estimate R'000	Actual amount collected R'000	(Over)/ under collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/ under collection R'000
Grant income	48 459	48 459	–	49 988	52 688	2 700
Roll-over/ additional funds	–	10 800	(10 800)	5 708	(165)	(5 873)
Filing fees	13 882	4 945	8 937	11 254	4 872	(6 382)
Service fees	–	32	(32)	–	–	–
Interest earned	953	1 981	(1 028)	1 191	1 088	(103)
Total	63 294	66 217	(2 923)	68 141	58 483	(9 658)

Income from filing fees comprises of fees received from filing parties for cases brought before the Tribunal. The budget was prepared on the assumption that the cases filed for the year will be substantially higher than the prior year, hence the major variance on the above table. The budget for 2018/19 financial year was prepared on the assumption that the case numbers will increase by 30% annually from 2016/17 whilst the actual case numbers did not increase at this rate. This anticipated increase was based on historical data which indicated on average the caseload increased by 64% over the previous three years.

At the time that the budget for 2018/19 was prepared, the NCT anticipated it would have R5.7 million of accumulated funds. These accumulated reserves would have comprised of funds accumulated from previous financial years; these were however exhausted by the end of the 2017/18 financial year. The funds were utilized on costs associated with adjudication and a significant amount of expenditure was incurred during the previous year on the motion courts which required travel, accommodation and venue related costs. Additional office space was also acquired in 2017/18 to accommodate the increase in the staff establishment and to increase the number of courtrooms available at the NCT offices. The intention to establish an additional court room was to realise efficiencies as fewer venues and facilities will have to be hired.

As explained above, due to the surplus being exhausted at the end of the previous financial year less funds were available to earn interest.

PERFORMANCE INFORMATION BY PROGRAMME CONTINUED

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 is accounted for in a detailed asset register, which is reconciled with the general ledger on a monthly basis.

The assessment of the entity's assets is conducted on an annual basis. The general condition of the assets is good, and hence the cost of maintaining these assets is very low. As such, there is no backlog in any maintenance programmes. The movement of the NCT's property, plant and equipment during 2018/19 is summarised in the following table:

MOVEMENT OF NCT PROPERTY, PLANT AND EQUIPMENT

Table 10: Movement of NCT property, plant and equipment

Property, plant and equipment	Opening balance	Additions	Assets written off	Assets sold	Depreciation	Closing balance
Furniture and fittings	886 000	398 989	–	–	(93 756)	1 191 233
Office equipment	91 343	4 830	–	–	(29 205)	66 968
Computer equipment	1 868 755	318 094	(7 047)	–	(610 604)	1 569 198
Leasehold improvements	1 867 369	274 099	–	–	(836 975)	1 304 493
Books	22 972	–	–	–	(1 189)	21 783
Signage	–	–	–	–	–	–
Office equipment – leased	652 889	–	–	–	(279 572)	373 317
Intangible Assets	2 063 306	766 535	–	–	(300 045)	2 529 796
Total	7 452 634	1 762 547	(7 047)	–	(2 151 346)	7 056 788

Expenditure on capital assets (including intangible assets) amounted to R1.7 million. This was mainly due to furniture and fittings as the NCT occupied additional office space and R766 535 was incurred on the development of the Case Management System.

Refer to Note 2 of the Annual Financial Statements.



PART C: GOVERNANCE

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 IV).

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 Industry provides oversight over the service delivery of the NCT.

During 2018/19, the NCT briefed the Portfolio Committee on Trade and Industry in relation to its Strategic Plan 2018/19 – 2022/23 and the Annual Performance Plan 2018/19 – 2020/21, as well as progress on its cases. 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, Mr Ebrahim Patel.

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

The Executive Chairperson is the Accounting Authority of the NCT and holds absolute responsibility and accountability for its performance. He provides strategic direction to the NCT and, in his 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.

GOVERNANCE COMMITTEES

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

- Audit and Risk Committee;
- ICT Governance Committee; and
- Human Resource Governance Committee. This committee also constitutes itself as a Performance management Committee.

Since the Executive Chairperson is also a full-time 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.

GOVERNANCE CONTINUED

The Executive Chairperson fully considers each recommendation from the governance committees and formally responds to each recommendation. When approving a recommendation, he issues an instruction to Management through the Office of the COO to action the recommendation with specific time frames 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 (ARC)

The role of the Audit and Risk Committee is discussed on page 76 and the Audit and Risk Committee Report can be viewed on page 93 to 95.



Audit and Risk Committee

ICT GOVERNANCE COMMITTEE (ICTC)

The ICT Governance Committee continued to effectively operate by providing ICT Governance oversight over the on-going operations of the NCT's ICT Unit. The ICT Governance Committee is comprised of three (3) members. Two of the members are independent external IT Specialists with the third member being the Tribunal's CIO.



ICT Governance Committee

GOVERNANCE CONTINUED

Table 11: Membership and attendance

Member	Capacity	No. of meetings attended
Mr Prittish Dala (Appointed as Committee Chairperson from October 2017)	Independent ICT Specialist	4 of 4
Ms Vuyokazi Menye (Appointed as Member from October 2017)	Independent ICT Specialist	3 of 4
Mr Bax Nomvete (Appointed as Member since October 2017, attended all prior meetings ex officio)	CIO	4 of 4

KEY AREAS OF RESPONSIBILITY

The ICT Governance Committee is an oversight function and works in an advisory capacity to the Accounting Authority. It operates according to an approved charter.

MAIN ACTIVITIES DURING THE REPORTING PERIOD

The ICT Governance Committee's main duties during the reporting period included:

- Review of items/documents prepared by the Chief Information Officer and approved by EXCO;
- Reviewed ICT risks and made recommendations on the internal controls and mitigating risk plans;
- Made recommendations on the level of compliance with policies;
- Provided strategic inputs on ICT matters to the NCT;
- Reviewed reports, plans, strategies, policies and proposals and made recommendations thereto in relation to the entire ICT functions as detailed in the ICT Strategy of the NCT;
- Reviewed and provided inputs on the ICT Governance Framework;
- Made recommendations for resourcing the ICT function and related ICT investments in line with the ICT Strategy and Plan; and
- Reviewed and make recommendations on the effectiveness of SLA management.

The CVs of the members of the ICT Governance Committee are attached to this report in Annexure B.

HR GOVERNANCE COMMITTEE (HRGC)



Human Resources Governance Committee

GOVERNANCE CONTINUED

Table 12: Membership and attendance

Member	Capacity	No. of meetings attended
Mr Enoch Motswaledi – Chairperson	Independent HR Specialist	4 of 4
Ms Nomkhita Mona	Independent HR Specialist	4 of 4
Adv. Nelson Lolwane	Corporate Services Executive	4 of 4

The HR Governance Committee is comprised of two (2) independent HR Specialists and the Corporate Services Executive. The COO as well as the HR & Facilities Manager attends the meeting in their official capacity. The CVs of the members of the HR Governance Committee are attached to this report in Annexures B.

MAIN ACTIVITIES DURING THE REPORTING PERIOD

The Committee deliberated on and made recommendations on the following main areas during the 2018/19 reporting period:

- The Committee also considered amendments to the various HR policies and recommended the policies for approval with a focus on the Succession Planning Policy and the Performance Management Policy.
- The Committee finalised the performance reviews and also provided guidance to management on how to handle issues pertaining to performance improvement and the review of performance information; and
- During this financial period, the Committee recognised that the HR Strategy and Plan took on a more strategic direction and greater alignment to the organisational strategy and was pleased that Management put in a lot of work to take on this strategic direction. Management has ensured that despite this challenge, that it achieved most elements of the Plan. The hard work and dedication by Management in achieving the goals of the HR Plan have resulted in creating a more stable and nurturing working environment at the NCT.

RISK MANAGEMENT

Effective risk management entails continuous and proactive identification and assessment of risk factors affecting its mandate. As at 31 March 2019, the NCT had 11 strategic risks on the Risk Register. The Tribunal Management is responsible for implementing risk action plans and for ensuring that 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 insufficient funding to meet operational requirements due to the increasing caseload, were prioritised. Risks pertaining to cybersecurity further received a significant amount of attention during the reporting period. At the end of the reporting period, the NCT implemented 100% of the risk action plans that were due for implementation.

GOVERNANCE CONTINUED

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 by 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 with these Standard Operating Procedures are monitored. These Procedures will be reviewed and revised from time to time to ensure the continuous strengthening of internal controls as and when deficiencies are identified and to ensure continued 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; and
- 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. During the reporting period, the contract of Business Innovation Group (BIG) came to an end and a new service provider, namely Nexia SAB&T was appointed in Quarter 2 of the 2018/19 financial year. The Internal Audit function is overseen by the COO. Internal Audit 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 the 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:

- Review of internal financial controls;
- Audit of Predetermined Objectives review;
- Human Resources review;
- Case and Records Management Audit;
- IT Security review;
- Follow Up review; and
- Motion Courts Audit.

GOVERNANCE CONTINUED

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 External auditors 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; and
- 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.

Table 13: Attendance of Audit and Risk Committee meetings

Name	Qualifications	Internal/ external	If internal, position	Date appointed	Date resigned	No. of meetings attended
Mr Thomas Kgokolo (Chairperson)	MBA, BCompt Hons (CTA), CA(SA)	External	N/A	September 2017	N/A	6 of 6
Mr M Kajee	B Compt Hons, CA(SA), ACMA	External	N/A	01/01/2014	N/A	5 of 6
Mr Tshepo Mofokeng	B Com, B Acc, CA(SA), CIA, CRMA	External	N/A	September 2017	N/A	5 of 6
Mr Willie Strauss	BCompt, CTA, B.Proc, B. Compt. Hons. LLM (Tax Law), MBA, CA(SA)	External	N/A	September 2017	N/A	6 of 6
Mr Suleman Badat (New Audit and Risk Committee Chairperson)	BA Accountancy, Accounting, Taxation, Auditing & Business Management, Risk Management Assurance, and (CA) SA	External	N/A	1 April 2019	N/A	3 of 6
Ms Rudzani Rasikhinya (New Audit and Risk Committee member)	(CA) SA	External	N/A	1 April 2019	N/S	3 of 6

The Executive Chairperson, COO, CFO and CSE attend the meetings of the ARC in their official capacities.

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

GOVERNANCE CONTINUED

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

ANTI-FRAUD AND ANTI-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.

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. 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 that committee/meeting. In the event of a conflict, the conflicted party is recused during a discussion of the item on which they are conflicted.

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 a breach, the internal disciplinary process is followed.



PART D: HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT



Ms Mari-lize Nel
Human Resources Manager

OVERVIEW OF HR MATTERS

During the reporting period, the Human Resources Department, as part of the Corporate Services Unit of the NCT, faced many challenges due to the persistent and high increase in its caseload. This included additional pressure on staff and Tribunal members to continue to achieve all the applicable targets as set out in the NCT's Business Plan without additional staff and financial resources.

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 capacity development to equip them 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, a total of twelve interns were appointed for various departments, such as the ICT Department, the Registrar's Unit, Human Resources and Finance.

HR PRIORITIES FOR THE YEAR AND THEIR 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 is discussed on page 80 of this report under "Human Resources and Facilities Management".

WORKFORCE PLANNING FRAMEWORK

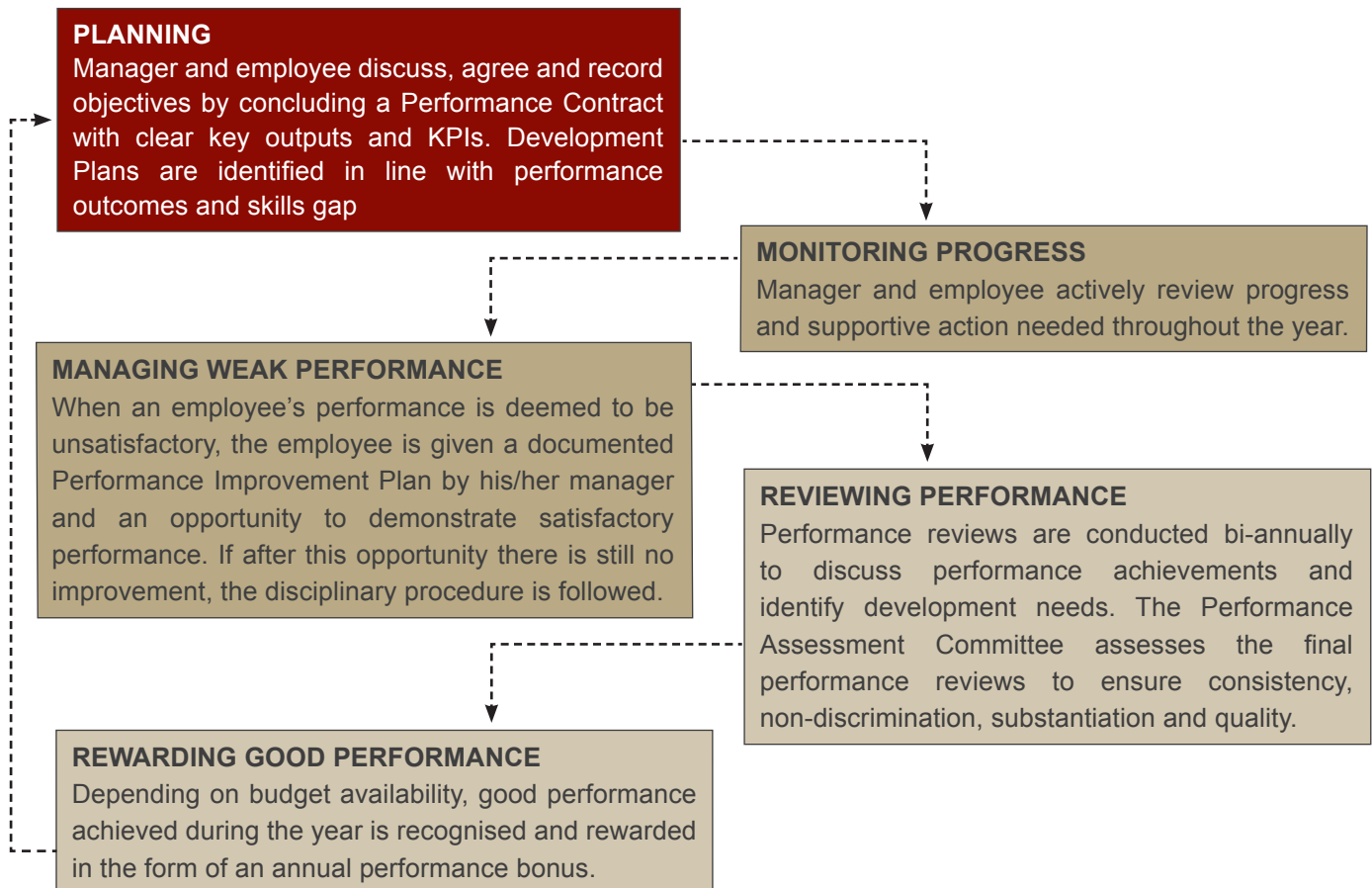
The Human Resources and Facilities Department, Corporate Communication as well as the Compliance and Secretariat function integrated to form the Corporate Services Unit.

In order to assist with spikes in 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 by having young people assist its permanent staff members in dealing with the demands and spikes of its caseload.

HUMAN RESOURCE MANAGEMENT CONTINUED

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. 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 key performance indicators (KPIs). In this way, the NCT ensures that the risk of not meeting its performance targets is minimised.

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 line manager. The information is then reviewed and performance discussions are held with individual staff members in finalising the scores.

HUMAN RESOURCE MANAGEMENT CONTINUED

The Corporate Services Unit, 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 that 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 line 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. The HR Governance Committee accepted the recommendations made by the service providers.

EMPLOYEE WELLNESS PROGRAMME

The NCT has a dedicated employee wellness service provider on a wide range of interventions that include a managerial referral programme, 24 hour and seven-days-a-week clinical and professional line, employee wellness days and employee wellness help programmes. On site employee wellness days offer advice to staff on work-life balance, healthy nutrition and life enhancing practices.

It was therefore identified that the following be addressed in 2019/20:

- Build on the Employee Health and Wellness programme;
- Conduct an Organisational Design and development study;
- Implementing action plans to address developmental areas as identified during the Organisational Culture and Engagement survey; and
- Review the efficiency of the current HR System (overall key HR modules).

POLICY DEVELOPMENT

All HR policies and procedures were reviewed during the third and fourth quarter of the financial year, which included the following policies:

- Code of Conduct and Conflict of Interest Policy;
- Disciplinary Policy;
- Occupational Health and Safety Policy;
- Performance Management and Performance Information Reporting Policy;
- Total Awards Policy;
- Grievance Policy;
- HIV and Aids Policy;
- Leave Policy;
- Succession Policy;
- Recruitment, Selection, On-boarding and Retention Policy;
- Skills Development Policy; and
- Sexual Harassment Policy.

HUMAN RESOURCE MANAGEMENT CONTINUED

Particular attention was paid to the relevance of these policies within the current operating environment, legislative framework and provisions relating to fairness and consistency. Recommendations made by the external service provider have also been taken into consideration during the policy review.

ACHIEVEMENTS AND CHALLENGES

Two key performance indicators were set for the HR Department on the organisational scorecard, namely; to ensure that the NCT has adequate human resources to fulfil its mandate and to contribute to youth employment.

The HR Department exceeded the targets set for both these objectives as well as the overall HR Business Plan. The Organisational Culture and Engagement Survey indicated that the NCT has an overall positive organisational culture. The HR department will however implement an action plan to address interventions called for.

FUTURE HR GOALS

During the reported period, the NCT's staff complement increased due to operational requirements. The HR goals are as follows for the 2019/20 financial period:

- To attract, develop and retain the right people to ensure the right skills are available 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; and
- To establish an effective and efficient HR Administration to facilitate and inform accurate HR data and reporting.

In order to achieve the above goals, the HR Department will focus on the following projects during 2019/20:

- Increasing the effectiveness of the electronic Performance Management System based on the review completed during the reporting period;
- Effective HR Administration;
- Effective project management;
- Internal communication;
- Change enablement management;
- Workforce planning and strategic sourcing; and
- Compliance with the prescripts of B-BBEE legislation.

HUMAN RESOURCE MANAGEMENT CONTINUED

HUMAN RESOURCE OVERSIGHT STATISTICS

Table 14: Personnel cost by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
Adjudication	32 095	21 175	66%	33	642
Administration	33 089	17 355	52%	27	642
Total	65 184	38 530	59%	60	642

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

Table 15: Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	2 555	7%	1	2 555
Senior management	13 801	36%	8	1 725
Professional qualified	8 302	22%	10	830
Skilled	11 661	30%	14	833
Semi-skilled	1 746	5%	24	73
Unskilled	466	1%	3	155
Total	38 530	100%	60	642

Table 16: Performance rewards

Programme	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel costs (R'000)
Top management	298	2 555	12%
Senior management	1 505	13 801	11%
Professional qualified	1 056	8 302	13%
Skilled	747	11 661	6%
Semi-skilled	329	1 746	19%
Unskilled	50	466	11%
Total	3 985	38 530	10%

HUMAN RESOURCE MANAGEMENT CONTINUED

Table 17: Training costs

Directorate/ business unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as % of personne cost	No. of employees trained	Average training cost per employee (R'000)
Adjudication	32 095	124	0.39%	16	8
Administration	33 089	802	2.42%	44	18
Total	65 184	926	2.80%	60	15

Table 18: Employment and vacancies

Programme	2017/18 no. of employees	2018/19 approved posts	2018/19 no. of employees	2018/19 Vacancies	% of vacancies
Adjudication	23	27	25	2	7.40%
Administration	21	23	23	0	0%
Total	44	50	48	2	4%

* Note: This information pertains only to permanent employees as at 31 March of each year, Interns, who join the NCT through the one-year internship programme, as well as temporary employees, are excluded from the information provided above. The vacancies for 2017/2018 and % of vacancies are indicated as at 31 March 2019 while the % of vacancies indicated in the section on performance against predetermined objective is as an average over the full 2018/2019 financial year.

Table 19: Employment and vacancies by employment category

Salary band	2017/18 no. of employees	2018/19 approved posts	2018/19 no. of employees	2018/19 vacancies	% of vacancies
Top management	1	1	1	0	0%
Senior management	8	8	8	0	0%
Professional qualified	11	13	12	1	8.33%
Skilled	10	13	13	0	0%
Semi-skilled	12	12	11	1	9.09%
Unskilled	2	3	3	0	0%
Total	44	50	48	2	4%

* Note: This information pertains only to permanent employees as at 31 March of each year, Interns, who join the NCT through the one-year internship programme, as well as temporary employees, are excluded from the information provided above. The vacancies for 2018/19 and % of vacancies are indicated as at 31 March 2019 while the % of vacancies indicated in the section on performance against predetermined objective is as an average over the full 2018/2019 financial year.

HUMAN RESOURCE MANAGEMENT CONTINUED

Table 20: Employment changes

Salary band	Employment at beginning of the period	Appoint-ments	Termina-tions	Internal transfer out of band	Employment at end of the period
Top management	1	0	0	0	1
Senior management	8	0	0	0	8
Professional qualified	11	2	0	0	13
Skilled	10	1	1	1	10
Semi-skilled	12	1	0	0	13
Unskilled	2	1	0	0	3
Total	44	5	1	1	48

Table 21: Reason for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	
Resignation	0	
Dismissal	1	100%
Retirement	0	
Ill health	0	
Expiry of contract	0	
Other	0	
Total	1	100%

Table 22: Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	2
Final written warning	0
Dismissal	1

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 57.78% female and 42.22% male ratio. The below statistics excludes foreign nationals.

HUMAN RESOURCE MANAGEMENT CONTINUED

Table 23.1: Employment equity status – Male

Levels	Male			
	African Current	Coloured Current	Indian Current	White Current
Top management	1	0	0	0
Senior management	4	0	1	1
Professional qualified	4	0	1	0
Skilled	1	0	0	0
Semi-skilled	5	0	0	0
Unskilled	1	0	0	0
Total	16	0	2	1

Table 23.2: Employment equity status – Female

Levels	Female			
	African Current	Coloured Current	Indian Current	White Current
Top management	0	0	0	0
Senior management	0	0	1	1
Professional qualified	3	0	1	2
Skilled	9	2	0	0
Semi-skilled	5	0	0	0
Unskilled	2	0	0	0
Total	19	2	2	3



PART E: FINANCIAL INFORMATION

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GENERAL INFORMATION

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 was expanded to also include adjudication on matters in terms of the Consumer Protection Act (Act 68 of 2008). The NCT is an independent body that is responsible for hearing and deciding on cases involving consumers, credit providers, debt counsellors and credit bureaux as well as providers of goods and services. The NCT is also responsible for reviewing decisions made by the National Credit Regulator and the National Consumer Commission.

Accounting authority

JM Maseko (Executive Chairperson of the Tribunal from 01 July 2017)

Part-time Tribunal members for 2018/19

L Best (Deputy Chairperson)
BC Dumisa
PA Beck
FK Manamela
X May
HFN Sephoti
FK Sibanda
DR Terblanche
T Woker
M Peenze
MMD Nkomo
N Maseti
TA Bailey
K Moodaliyar

Fulltime Tribunal members for 2018/19

HV Devraj
JR Simpson
LA Potwana

Key management for (2018/19)

M Bosch (Chief Operating Officer)
L Rabotapi (Registrar)
NKD Lolwane (Corporate Services Executive)
BX Nomvete (Chief Information Officer)
A Moolla (Chief Financial Officer)

GENERAL INFORMATION CONTINUED

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

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2019

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:



JM Maseko
*Executive Chairperson
and Accounting Authority*
31 July 2019



NKD Lolwane
Acting Chief Operating Officer
31 July 2019



A Moolla
Chief Financial Officer
31 July 2019

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the External Auditors as anticipated by the Auditor-General SA;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report has been prepared in accordance with the Annual Report Guide for Schedule 3A and 3C Public Entities 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, the human resources information and the Annual Financial Statements; and
- The External Auditors are engaged under the tutelage of the Auditor-General SA to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the NCT for the financial year ended 31 March 2019.

Yours faithfully



Prof Joseph M. Maseko
Executive Chairperson

National Consumer Tribunal

31 July 2019

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

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 SYSTEMS

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 External Auditors under the tutelage of the Auditor-General of South Africa (AGSA), we 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 External Auditor 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 the 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 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 and 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.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

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 QUARTERLY REPORT

The Accounting Authority has tabled the In-Year Management (IYM) and 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 external auditors and the Accounting Authority;
- reviewed the external auditors' Management Report and its 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; and
- reviewed the information on predetermined objectives as reported in the Annual Report.

EXTERNAL AUDITOR'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 external auditors to ensure that there are no unresolved issues that emanated from the regulatory audit.

The Audit and Risk Committee concurs and accepts the external auditors' opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the external auditors.

AUDIT AND RISK COMMITTEE REPORT **CONTINUED**

EVALUATION OF THE FINANCIAL FUNCTION

The committee is satisfied that the Finance function has fulfilled its objectives for the year under review, and that the finance function is adequately capacitated.

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 external auditors and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr Thomas Kgokolo

Chairperson of the Audit & Risk Committee

National Consumer Tribunal

31 July 2019

REPORT OF THE ACCOUNTING AUTHORITY



Prof Joseph Mandla Maseko
Executive Chairperson

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.

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.

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 102 to 144, and are summarised as follows:

	2018/19	2017/18
Total revenue	R58 647 445	R55 417 366
Total expenditure	R65 184 482	R 64 346 933
Finance costs	R93 449	R57 975
Net (deficit)/surplus	(R6 537 037)	(R8 987 542)
Total assets	R10 529 446	R16 573 833
Total liabilities	R10 238 139	R9 652 040
Net assets	R291 307	R6 921 793

REPORT OF THE ACCOUNTING AUTHORITY CONTINUED

The NCT's operations are substantially funded by government through **the dti** and have since its inception received increases in the grant at the rate of inflation. Although the caseload increased significantly between the period 2013/14 and 2016/17, the grant only increased with inflation annually. The NCT has always been able to achieve its objectives through innovative means and strict budgetary controls within the allocated budget and also accumulate reserves.

During the 2018/19 financial year, the NCT incurred a deficit amounting to R6.6 million. The deficit emanated from not achieving the budget on filing fees as fewer cases were received than budgeted; this resulted in a shortfall of revenue amounting to R6.3 million. The budgeted caseload was based on historical data which reflected large increases in the caseload.

In the period under review, the NCT received a grant of R52 688 000 from **the dti**, which represents an increase of 5.0% from the previous year's grant of R48 459 000. This ensured that the NCT was in a position to fulfil its mandate, as the grant makes up 90% of its total revenue (2017/18: 87%).

Income from filing fees included in total revenue decreased by 2%. Revenue from filing fees decreased from R4.9 million to R4.8 million. The number of cases decreased from 24 727 to 24 339, a decrease of 2%. The filing fee of R200 per debt re-arrangement agreement matter that became effective on 4 February 2016 has remained unchanged in the 2018/19 year. The amount received for filing fees does not offset the adjudication costs as the filing fee is only a nominal amount of R200 for debt re-arrangement agreement matters filed with the NCT and do not contribute towards the more expensive and time consuming non debt rearrangement matters. Please refer to Note 18.3 in the Annual Financial Statements for more detail.

The NCT's income from interest earned decreased by 45% from R1.9 million to R1 million. This is as a result of a lower average balance in the investment account which negatively affected the funds available for investment. 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 18.4 in the Annual Financial Statements for more detail.

Due to the revenue shortfall the NCT had to closely monitor expenditure and thus total expenses increased by only 1% as compared to a 24% increase from 2016/17 to 2017/18. Expenditure year on year increased from R64.3 million to R65.1 million.

Other operating expenses decreased by R3.6 million (23%) from R16 million to R12.4 million. This can be attributed to decreased travel and accommodation costs. These costs decreased as motion courts were no longer held outside the NCT premises; these were discontinued from August 2018 in an attempt to contain costs. In the previous year these motion courts were held throughout the country. As indicated above this was an intentional measure to contain costs, the NCT still achieved the targets and turnaround times with regards to the caseload by utilising other innovative approaches.

The increase in employee-related costs can be attributed to a higher number of staff employed which on average was 62 employees in the 2018/19 financial year as compared to 53 in the previous year. This was due to an increase in the staff compliment and there were more vacancies in the 2017/18 financial year. There was also more leave paid out, the leave paid out was in terms of the leave policy. In the previous financial year there were vacancies in three executive positions.

REPORT OF THE ACCOUNTING AUTHORITY CONTINUED

Tribunal members' fees have decreased by R876 thousand (11%) from R8 million to R7.1 million. This can be attributed to a combination of factors. These being the screening of non-DRA matters prior to allocation to a Tribunal member and the grouping of matters were introduced where more matters were heard in one day by the same panel resulting in cost savings. In addition Full Time Tribunal Members were allocated more matters. Travelling expenses also decreased as motion courts were only held in Centurion whereas previously these were held country wide.

It is recognised that the NCT's cost of statutory compliance is 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 R2.1 million (2017/18: R2.5 million). This equates to 3% (2017/18: 4%) of the total expenditure of the NCT.

The NCT is constantly looking for cost saving opportunities and efficiency gains to ensure that it will be able to fund the caseload. During the year the most aggressive manner by which we could contain costs was to discontinue with motion courts outside the Centurion Office which resulted in savings in the 2018/19 year and will realise savings going forward. In addition the Minister of **the dti** has increased the filing fee for a debt rearrangement matter from R200 to R300 effective the 1 April 2019, R400 from the 1 April 2020 and R500 from 1 April 2021. This will result in filing fee income increasing from R4.8 million in the 2018/19 financial year to R12.1 million in the 2021/22 financial year if the caseload remains the same.

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).

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.

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.

LOSSES WRITTEN OFF

There were no losses written off during the 2018/19 financial year.

FRUITLESS AND WASTEFUL EXPENDITURE

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

REPORT OF THE ACCOUNTING AUTHORITY **CONTINUED**

IRREGULAR EXPENDITURE

There was no irregular expenditure during the year under review.

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

There were no material losses through criminal conduct.

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.

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.

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.

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. Furthermore the Minister of **the dti** has increased the filing fee for a debt rearrangement matter from R200 to R300 effective 1 April 2019, R400 from the 1 April 2020 and R500 from 1 April 2021. Based on the cash flow projections for the next 12 months, the NCT will have adequate cash resources to cover all operational expenses.



Prof JM Maseko

Executive Chairperson

National Consumer Tribunal

31 July 2019

INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON NATIONAL CONSUMER TRIBUNAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. We have audited the financial statements of the National Consumer Tribunal set out on pages 102 to 144, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the National Consumer Tribunal as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this auditor's report.
4. We are independent of the public entity in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of professional conduct of registered auditors (IRBA code) (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of the financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR’S REPORT TO PARLIAMENT ON NATIONAL CONSUMER TRIBUNALY CONTINUED

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.
11. Our procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. We have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.
12. We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programme	Pages in the annual performance report
Programme 1 – Adjudication	25 – 49
Programme 2 – Administration	49 – 67

INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON NATIONAL CONSUMER TRIBUNALY **CONTINUED**

13. We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. We did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
 - Programme 1 – Adjudication
 - Programme 2 – Administration

OTHER MATTERS

15. We draw attention to the matter below. Our conclusion is not modified in respect of this matter.

ACHIEVEMENT OF PLANNED TARGETS

16. Refer to the annual performance report on pages 25 to 26 and 50 to 51 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

17. In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.
18. We did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the Tribunal's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
20. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
21. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON
NATIONAL CONSUMER TRIBUNAL **CONTINUED**


22. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We did not identify any material inconsistencies.

INTERNAL CONTROL DEFICIENCIES

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

AUDITOR TENURE

24. In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Rakoma and Associates Inc has been the auditor of National Consumer Tribunal for 5 months.



Rakoma and Associates Incorporated
Collins Malunga CA (SA)
Director
Registered Auditor

31 July 2019

AUDITOR'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, related safeguards.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	31 March 2019 R	31 March 2018 R
ASSETS			
Non-current assets		7 056 790	7 452 634
Property, plant and equipment	2	4 526 992	5 389 328
Intangible assets	3	2 529 798	2 063 306
Current assets		3 472 656	9 121 199
Inventory	4	73 800	62 048
Trade and other receivables from exchange transactions	5	913 109	546 728
Cash and cash equivalents	6	2 485 747	8 512 423
Total assets		10 529 446	16 573 833
LIABILITIES			
Non-current liabilities		158 317	428 149
Long-term portion – Finance lease obligations	7	158 317	428 149
Current liabilities		10 079 822	9 223 891
Short-term portion – Finance lease obligation	7	271 464	261 292
Trade and other payables from exchange transactions	8	6 380 306	5 500 052
Provisions	9	3 428 052	3 462 547
Total liabilities		10 238 139	9 652 040
NET ASSETS		291 307	6 921 793
Accumulated surplus	28	291 307	6 921 793

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

		31 March 2019	31 March 2018
	Note	R	R
Revenue: Non-Exchange		52 688 000	48 459 000
Government grant	10	52 688 000	48 459 000
Revenue: Exchange		5 959 445	6 958 366
Filing fees	10	4 867 800	4 945 400
Service fees	10	4 129	31 833
Interest earned	10	1 087 516	1 981 133
Total Revenue		58 647 445	55 417 366
Total Expenses		65 184 482	64 346 933
Administrative expenses	11	6 222 882	7 132 413
Other operating expenses	12	12 473 142	16 138 162
Audit fees	13	823 727	1 313 073
Tribunal Members' fees	14	7 134 372	8 010 826
Employee related costs	15	38 530 359	31 752 459
Operating (deficit)		(6 537 037)	(8 929 567)
Finance costs	16	93 449	57 975
Net (deficit) for the year		(6 630 486)	(8 987 542)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2019

	Accumulated surplus	Total net assets
	R	R
Balance as at 1 April 2017	15 909 335	15 909 335
Net (deficit) for the year	(8 987 542)	(8 987 542)
Balance as at 31 March 2018	6 921 793	6 921 793
Net (deficit) for the year	(6 630 486)	(6 630 486)
Balance as at 31 March 2019	291 307	291 307

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Note	31 March 2019 R	31 March 2018 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		58 348 370	55 594 616
Government grants		52 688 000	48 459 000
Filing fees		4 568 725	5 122 650
Service fees		4 129	31 833
Other receipts – Insurance claims		–	–
Interest received		1 087 516	1 981 133
Payments		(62 259 388)	(61 627 691)
Tribunal Members' fees		(6 854 886)	(7 636 801)
Employee-related costs		(38 221 574)	(31 224 129)
Suppliers		(17 182 928)	(22 766 761)
Net cash flows from operating activities	17	(3 911 018)	(6 033 075)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(996 012)	(2 433 298)
Additions to intangible assets		(766 537)	(939 282)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(353 109)	(241 484)
Net (decrease)/increase in cash and cash equivalents		(6 026 676)	(9 647 139)
Cash and cash equivalents at beginning of year		8 512 423	18 159 562
Cash and cash equivalents at end of year	6	2 485 747	8 512 423

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 31 MARCH 2019

	Note	Accrual-based approved budget (before transfers) R	Transfers between budget line items 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	18.1	49 988 000	2 700 000	52 688 000	52 688 000	–
Roll-over	18.2	5 707 941	–	5 707 941	–	(5 707 941)
Income from exchange transactions	18.3	11 253 900	–	11 253 900	4 871 929	(6 381 971)
Interest received	18.4	1 190 973	–	1 190 973	1 087 516	(103 457)
Total revenue		68 140 814	2 700 000	70 840 814	58 647 445	(12 193 369)
EXPENSES						
Administrative expenses	18.5	6 524 395	–	6 524 395	6 222 882	301 513
Other operating expenses	18.6	11 765 057	-900 000	10 865 057	10 410 197	454 860
Audit fees		935 000	–	935 000	823 727	111 273
Tribunal Members' costs	18.7	7 727 253	2 700 000	10 427 253	7 134 372	3 292 881
Employee-related costs	18.8	39 212 577	700 000	39 912 577	38 105 710	1 806 867
Finance lease payments		384 000	–	384 000	353 109	30 891
Capital expenditure		1 592 532	200 000	1 792 532	1 762 549	29 983
Total expenses		68 140 814	2 700 000	70 840 814	64 812 546	6 028 268
Surplus/(Deficit) for the period		–	–	–	(6 165 101)	(6 165 101)

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

		Adjustment of actual amounts to comparable basis with final budget
		R
Net surplus/(deficit) per the Statement of Financial Performance		(6 630 486)
Adjusted for:	Activity	
Intangible assets impaired	Operating	–
Tangible assets written off	Operating	7 047
Amortisation	Operating	300 045
Depreciation	Operating	1 851 301
Lease rentals on premises and parking – Straight-line adjustment	Operating	(95 448)
Finance costs on leases	Financing	93 449
Finance lease payments	Financing	(353 109)
Movement in accrual for leave pay – Employee related costs	Operating	424 649
Capital assets purchased	Investing	(1 762 549)
Difference between Final Budget and Actual Amounts		(6 165 101)

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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019

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:

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. These performance bonuses are based on actual salaries paid.

1.2 SIGNIFICANT JUDGEMENTS CONTINUED

1.2.2 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.

1.2.3 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 re-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 or not.

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.

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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019 CONTINUED

1.6 REVENUE RECOGNITION CONTINUED

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 PRE-PAYMENTS

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.

1.8.2 Finance leases

Finance leases 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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019
CONTINUED

1.12 PROPERTY, PLANT AND EQUIPMENT 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
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:

Intangible assets	Average useful life
Computer software (Internally generated)	3 to 5 years
Computer software (Other)	3 years

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

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.

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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019 CONTINUED

1.16 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION CONTINUED

1.16.1 Financial assets *continued*

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.

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 EQUIVALENTS

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 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.”

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Furniture and fittings	2 018 823	(827 590)	1 191 233	1 619 834	(733 834)	886 000
Office equipment	235 924	(168 956)	66 968	231 094	(139 751)	91 343
Computer equipment	3 963 583	(2 394 385)	1 569 198	3 653 472	(1 784 717)	1 868 755
Leasehold improvements	3 310 195	(2 005 702)	1 304 493	3 036 096	(1 168 727)	1 867 369
Books	219 995	(198 212)	21 783	219 995	(197 023)	22 972
Signage	33 315	(33 315)	–	33 315	(33 315)	–
Office equipment – Leased	838 717	(465 400)	373 317	838 717	(185 828)	652 889
Total	10 620 552	(6 093 560)	4 526 992	9 632 523	(4 243 195)	5 389 328

Reconciliation of property, plant and equipment – 2019	Opening balance	Assets written off	Assets sold	Depreciation	Closing balance
	Furniture and fittings	886 000	–	–	(93 756)
Office equipment	91 343	–	–	(29 205)	66 968
Computer equipment	1 868 755	(7 047)	–	(610 604)	1 569 198
Leasehold improvements	1 867 369	–	–	(836 975)	1 304 493
Books	22 972	–	–	(1 189)	21 783
Signage	–	–	–	–	–
Office equipment – Leased (refer to Note 2.1)	652 889	–	–	(279 572)	373 317
Total	5 389 328	(7 047)	–	(1 851 301)	4 526 992

**Reconciliation
of property,
plant and
equipment –
2018**

	Opening balance	Additions	Assets Written Off	Assets sold	Depreciation	Closing balance
Furniture and fittings	564 370	381 716	–	–	(60 086)	886 000
Office equipment	49 182	69 335	–	–	(27 174)	91 343
Computer equipment	1 421 131	991 293	(18 705)	–	(524 964)	1 868 755
Leasehold improvements	1 479 347	989 907	–	–	(601 885)	1 867 369
Books	25 472	1 047	–	–	(3 547)	22 972
Signage	–	–	–	–	–	–
Office equipment – Leased (refer to Note 2.1)	189 586	682 549	–	–	(219 246)	652 889
Total	3 729 088	3 115 847	(18 705)	–	(1 436 902)	5 389 328

2.1 OFFICE EQUIPMENT – LEASED

Assets with a net carrying value of R373 317 (2018: R652 889) are subject to finance leases as set out in Note 7.

2.2 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 but no change was necessary.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

3. INTANGIBLE ASSETS

	2019			2018		
	Cost/ Valuation	Accumulated amortisation/ impairments	Carrying value	Cost/ Valuation	Accumulated amortisation/ impairments	Carrying value
Computer software – Internally generated	2 452 00	(425 252)	2 026 755	2 188 739	(298 705)	1 890 034
Computer software – Other	1 765 274	(1 262 231)	503 043	1 262 005	(1 088 733)	173 272
Total	4 217 281	(1 687 483)	2 529 798	3 450 744	(1 387 438)	2 063 306

Reconciliation of intangible assets – 2019	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software – Internally generated	1 890 034	263 268	(126 547)	–	2 026 755
Computer software – Other	173 272	503 269	(173 498)	–	503 043
Total	2 063 306	766 537	(300 045)	–	2 529 798

Reconciliation of intangible assets – 2018	Opening balance	Additions	Amortisation	Impairments	Closing balance
Computer software – Internally generated	1 195 085	820 200	(125 251)	–	1 890 034
Computer software – Other	153 747	119 082	(99 557)	–	173 272
Total	1 348 832	939 282	(224 808)	–	2 063 306

3.1 RE-ASSESSMENT OF USEFUL LIVES

The useful lives and residual values of all the intangible assets were assessed during the year under review but no change was necessary.

	31 March 2019	31 March 2018
	R	R
4. INVENTORIES		
Stationery and consumables	73 800	62 048
	73 800	62 048
5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Debtors – Filing fees	597 800	–
Debtors – Payroll (UIF refunds and study loans)	–	1 127
Debtors – Legal fees refund and insurance claim	–	–
Prepayments – Insurance, license fees, rental, travelling, etc. (refer Note 5.1)	315 309	545 601
	913 109	546 728
5.1 PREPAYMENTS		
The prepayments are based on contractual obligations with suppliers of goods and services and include subscriptions for resource materials and insurance of assets.		
6. CASH AND CASH EQUIVALENTS		
Bank account – Notice deposit (SA Reserve Bank) (refer Note 6.1)	1 611 640	7 904 834
Bank account – Current account (Nedbank)	17 337	446 718
Bank account – Filing fees current account (Nedbank) (refer Note 6.2)	778 140	160 862
Bank account – Prefunded Credit Card (Nedbank)	68 630	–
Cash on hand – Petty cash	10 000	9
	2 485 747	8 512 423

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 7.21% (2018: 7.33%). The total cash and cash equivalents balance has reduced year on year as the filing fee revenue was less than anticipated and no surplus funds were carried forward into the new financial year.

6.2 FILING FEES CURRENT ACCOUNT

This bank account is linked to the Case Management System and links the case to the deposit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
 ENDED 31 MARCH 2019 **CONTINUED**

	31 March 2019	31 March 2018
	R	R
7. FINANCE LEASES – OFFICE EQUIPMENT		
Minimum lease payments due		
Technology Acceptances (Xerox Work Centres)	280 754	503 952
Canon Business Centre (PABX System and additions to the PABX System)	209 794	331 968
	490 548	835 920
Summary of minimum lease payments due		
Payable within one year	321 300	350 116
Payable after one year	169 248	485 804
	490 548	835 920
Less: Future finance charges	(60 767)	(146 479)
Present value of minimum lease payments due	429 781	689 441
Current liabilities	271 464	261 292
Non-current liabilities	158 317	428 149
Present value of minimum lease payments due	429 781	689 441

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 15,26% (2018: 14,48%).

	31 March 2019	31 March 2018
	R	R
8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables	2 326 382	2 410 668
Income received in advance – Filing fees	538 075	239 350
Other payables – Permanent and temporary staff	16 841	102 234
Salary deductions – PAYE, UIF, Garnishees and Union membership fees	2 897	–
Accrued expenses – Tribunal members' costs	1 080 233	800 747
Accrued expenses – Governance Committee members' costs	144 016	99 840
Accrued leave pay – Senior management and fulltime Tribunal members	1 191 194	1 022 550
Accrued leave pay – Other staff	1 080 668	824 663
	6 380 306	5 500 052

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 multiplied by the number of leave days accumulated at the reporting date.

	31 March 2019	31 March 2018
	R	R
9. PROVISIONS		
Performance bonuses – Senior management and fulltime Tribunal members	1 649 176	1 640 266
Performance bonuses – Other staff	1 778 876	1 822 281
	3 428 052	3 462 547
Provision for performance bonuses relates to possible payment of performance bonuses to senior management, fulltime Tribunal members and other staff for services rendered by them during the current financial year.		
Reconciliation of provisions		
Opening balance	3 462 547	2 784 625
Provisions utilised during the year	(3 462 547)	(2 784 625)
Provisions reversed during the year	–	–
Provisions made during the year	3 428 052	3 462 547
	3 428 052	3 462 547

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

	31 March 2019	31 March 2018
	R	R
10. TOTAL REVENUE		
Total revenue	58 647 445	55 417 366
Non-exchange revenue	52 688 000	48 459 000
Government grants	52 688 000	48 459 000
Exchange revenue	4 871 929	4 977 233
Filing fees (refer to Note 18.3)	4 867 800	4 945 400
Service fees	4 129	31 833
Proceeds from insurance	–	–
Investment income	1 087 516	1 981 133
Interest earned (refer to Note 10.1)	1 087 516	1 981 133
10.1 Interest earned was less comparably as less funds were available for investment and as no surplus funds were carried forward.		
11. ADMINISTRATIVE EXPENSES		
Advertising (refer to Note 11.1)	42 962	84 444
Audit and Risk Committee members' remuneration	477 111	426 020
Bank charges	102 415	87 254
Computer expenses, ICT support and software licences (refer to Note 11.2)	210 367	636 105
Entertainment, refreshments and staff welfare	159 062	150 053
Fraud hotline and whistle blowing	59 963	37 335
General expenses, gifts, flowers, first aid, cleaning costs, cutlery and crockery	61 272	87 903
HR Governance Committee members' remuneration (refer to Note 11.3)	185 062	104 966
ICT Governance Committee members' remuneration (refer to Note 11.3)	207 272	107 184
Internal audit fees and secretariat services	861 242	730 103
Legal and related fees (refer to Note 11.4)	3 569	295 177
Membership fees, subscriptions, books and resource materials (refer to Note 11.5)	595 371	199 281

	31 March 2019	31 March 2018
	R	R
11. ADMINISTRATIVE EXPENSES CONTINUED		
Printing, stationery and publications	849 958	791 702
Security services (refer to Note 11.6)	22 716	93 790
Relocation costs	–	12 192
Storage costs, online backup services, mail archiving and disaster recovery	433 364	370 547
Training, bursaries and staff development	926 319	713 785
Venues and facilities for workshops, conferences and meetings (refer to Note 11.7)	1 024 857	2 004 572
Website development, maintenance and hosting (refer to Note 11.8)	–	200 000
	6 222 882	7 132 413

Decrease in administrative expenses

- 11.1** Due to vacancies in executive positions in the prior year adverts were placed in the media, as these positions were successfully filled less advertising costs were incurred.
- 11.2** Computer expenses and software licenses was higher in the previous year due to additional office space that was leased which required additional ICT infrastructure.
- 11.3** These committees previously composed of Part Time Tribunal Members, they now compose of external members with specific expertise who come at a higher cost.
- 11.4** Legal services costs are incurred if and when required. During the 2018/19 financial year there was no significant need for legal services.
- 11.5** The increase is due to subscriptions for legal related material in the form of specialist electronic newsletters providing topical, consolidated and timeous legal-related news and information. This subscription was necessary to ensure the Tribunal Members and staff are updated with the latest in the legal environment. The NCT no longer purchases books (hardcopies) as the subscriptions to the electronic newsletters is more accessible.
- 11.6** Prior to the installation of the security cameras, turnstiles and the appointment of an armed response security company the physical presence of a guard was required.
- 11.7** Additional office space allowed us to have the motion courts at the NCT premises as opposed to hiring external venues. In addition motion courts which were previously held country wide in previous years were stopped from August 2018, this was due to the NCT identifying more efficient ways to manage the cases.
- 11.8** The NCT website was re-designed and re-developed during the previous financial year for additional functionality and to allow for electronic filing of cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

	31 March 2019	31 March 2018
	R	R
12. OTHER OPERATING EXPENSES		
Amortisation	300 045	224 808
Assets impaired	–	–
Assets written off	7 047	18 705
Consulting fees (refer to Note 12.1)	792 310	1 140 004
Courier costs, postage and stamps (refer to Note 12.2)	173 420	262 822
Depreciation	1 851 301	1 436 902
Insurance	288 034	272 755
Internet costs and 3G connectivity	100 997	104 774
Lease rentals on premises and parking	2 901 487	2 781 916
Recording, transcription, interpreters, witnesses and translation services	391 652	363 832
Rentals – Equipment and furniture	–	67 335
Repairs and maintenance (refer to Note 12.3)	49 179	91 554
Telephone and fax	341 302	340 593
Travel and accommodation (refer to Note 12.2)	4 119 578	8 014 406
Utilities – Water, electricity, rates and taxes	1 156 790	1 017 756
	12 473 142	16 138 162

Decrease in other operating expenses

12.1 In the previous year more consultants were utilised. Consultants were appointed in the prior year to assist with the recruitment of Executives as well as the vetting. The vetting is now done internally.

12.2 Travel and accommodation costs and courier costs decreased due to the implementation of aggressive cost saving measures. The number of motion courts that were held in locations other than the NCT's offices and outside Gauteng were discontinued. Since motion courts outside the Centurion office were discontinued during the year less expenditure was incurred comparably. Also refer to Note 18.6.

	31 March 2019	31 March 2018
	R	R
12.3 REPAIRS AND MAINTENANCE		
Furniture and fittings	1 609	15 086
Office equipment	25 502	18 369
Computer equipment	4 366	–
Leased assets	17 702	58 099
	49 179	91 554

	31 March 2019	31 March 2018
	R	R
13. AUDIT FEES		
External audit fees	823 727	1 313 073
	823 727	1 313 073

Audit fees for the 2016/17 interim audit were invoiced in the 2017/18 financial year resulting in the significant decrease from the prior year.

14. PART-TIME TRIBUNAL MEMBERS' COSTS

	2019			2018		
	Members' fees, etc.	Travelling expenses	Total costs	Members' fees, etc.	Travelling expenses	Total costs
BC Dumisa (Acting Executive Chairperson and Deputy Chairperson until 30 June 2017)	698 625	22 607	721 232	1 008 828	46 691	1 055 519
PA Beck	704 275	5 465	709 740	956 627	25 074	981 701
X May	329 704	14 823	344 527	835 318	53 082	888 400
HFN Sephoti	12 560	–	12 560	53 574	–	53 574
T Woker	566 796	8 142	574 938	682 513	15 399	697 912
FK Manamela	598 303	30 716	629 019	625 261	37 293	662 554
L Best	437 512	13 630	451 142	298 628	36 302	334 930
JM Maseko (until 30 June 2017)	–	–	–	348 946	13 819	362 765
DR Terblanche	670 922	26 987	697 909	982 841	48 439	1 031 280
FK Sibanda	399 637	6 744	406 381	554 525	10 332	564 857
TA Bailey (From 01 July 2017)	701 276	24 252	725 528	407 765	12 113	419 878
MC Peenze (From 01 July 2017)	701 952	16 653	718 605	396 840	4 753	401 593

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

14. PART-TIME TRIBUNAL MEMBERS' COSTS CONTINUED

	2019			2018		
	Members' fees, etc.	Travelling expenses	Total costs	Members' fees, etc.	Travelling expenses	Total costs
LL Rabotapi (From 01 July 2017 to 31 August 2017)	–	–	–	11 905	1 000	12 905
NMD Nkomo (From 01 July 2017)	595 834	5 701	601 535	291 719	4 338	296 057
NS Maseti (From 01 July 2017)	264 810	6 479	271 289	229 150	5 471	234 621
K Moodaliyar (From 01 July 2017)	452 166	2 714	454 880	326 386	3 690	330 076
	7 134 372	184 913	7 319 285	8 010 826	317 796	8 328 622

14.1 DECREASE IN PART-TIME TRIBUNAL MEMBERS' COSTS

This can be attributed to a combination of factors. These being the screening of non-DRA matters prior to allocation to a Tribunal member and the grouping of matters were introduced where more matters were heard in one day by the same panel resulting in cost savings. In addition Full Time Tribunal Members were allocated more matters. Travelling expenses also decreased as motion courts were only held in Centurion whereas previously these were held country wide. Costs were contained due to the implementation of cost containment measures.

	31 March 2019	31 March 2018
	R	R
15. EMPLOYEE-RELATED COSTS		
Senior management emoluments (refer to Note 15.1)	10 213 513	9 896 587
Fulltime Tribunal members' emoluments (refer to Note 15.2)	5 899 981	4 921 635
Other staff emoluments	17 191 683	12 595 228
Other staff leave paid	429 249	164 061
Other staff performance bonuses for previous performance period	2 181 185	1 395 337
Subtotal for payments made to permanent staff and interns	35 915 611	28 972 848
Student workers (Contingent pool of temporary employees)	151 832	95 774
Temporary staff emoluments	1 807 240	1 499 454
Employer's contribution to statutory levies (refer to Note a)	265 522	193 000
Movement in accrual for leave pay	424 649	313 461
Movement in provision for performance bonuses	(34 495)	677 922
Total for employee-related costs	38 530 359	31 752 459
a) Statutory levies		
Workmen's compensation	157 784	103 765
UIF	107 738	89 235
Total statutory levies	265 522	193 000
15.1 SENIOR MANAGEMENT EMOLUMENTS	10 213 513	9 896 587
Executive Chairperson (DR Terblanche: Until 9 November 2016)		
Annual remuneration	–	214 361
Performance bonus for previous performance period	–	214 361
Leave paid out due to ending of contract	–	–
Other fringe benefits	–	–
Executive Chairperson (JM Maseko: 1 July 2017)	2 522 308	1 519 649
Annual remuneration	2 091 037	1 506 149
Performance bonus for previous performance period	298 218	–
Leave paid out	115 053	–
Other fringe benefits	18 000	13 500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

	31 March 2019	31 March 2018
	R	R
15.1 SENIOR MANAGEMENT EMOLUMENTS		
CONTINUED		
Chief Operating Officer (M Bosch)	1 913 502	1 806 445
Annual remuneration	1 608 126	1 524 285
Performance bonus for previous performance period	290 376	267 160
Other fringe benefits	15 000	15 000
Chief Financial Officer (WP Strauss: Until 6 July 2017)	–	813 022
Annual remuneration	–	367 546
Performance bonus for previous performance period	–	271 093
Leave paid out due to resignation	–	171 192
Other fringe benefits	–	3 190
Interim Chief Financial Officer (B Keet: From 7 July to 31 December 2017)	–	567 722
Annual remuneration	–	523 419
Leave paid out due to ending of contract	–	38 656
Other fringe benefits	–	5 646
Chief Financial Officer (A Moolla: From 1 January 2018)	1 445 309	340 500
Annual remuneration	1 405 688	337 500
Leave paid out	27 621	–
Other fringe benefits	12 000	3 000
Chief Information Officer (BX Nomvete)	1 441 710	1 363 591
Annual remuneration	1 230 297	1 166 158
Performance bonus for previous performance period	199 413	185 433
Other fringe benefits	12 000	12 000
Acting Registrar (P Moodley: Until 31 August 2017 and from 01 May 2016 to 31 March 2017 in Previous year)	–	903 507
Annual remuneration	–	668 602
Acting allowance while the Registrar position was vacant	–	109 134
Performance bonus for previous performance period	–	120 771
Other fringe benefits	–	5 000

	31 March 2019	31 March 2018
	R	R
15.1 SENIOR MANAGEMENT EMOLUMENTS		
CONTINUED		
Registrar (LL Rabotapi: From 1 September 2017)	1 550 022	765 159
Annual remuneration	1 353 314	758 159
Performance bonus for previous performance period	144 808	–
Leave paid out	39 900	–
Other fringe benefits	12 000	7 000
Acting Corporate Services Executive (M Nel: Until 30 September 2017)	–	1 005 851
Annual remuneration	–	790 782
Acting allowance while the Corporate Services Executive position was vacant	–	115 060
Performance bonus for previous performance period	–	63 856
Leave paid out	–	17 070
Other fringe benefits	–	19 083
Corporate Services Executive (NKD Lolwane: From 1 October 2017)	1 340 662	596 779
Annual remuneration	1 230 297	590 779
Performance bonus for previous performance period	98 365	–
Other fringe benefits	12 000	6 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

	31 March 2019	31 March 2018
	R	R
15.2 FULLTIME TRIBUNAL MEMBERS' EMOLUMENTS	5 899 981	4 921 635
Fulltime Tribunal Member (HV Devraj)	2 053 571	1 939 881
Annual remuneration	1 608 126	1 522 833
Performance bonus for previous performance period	297 714	285 322
Leave paid out	135 731	119 727
Other fringe benefits	12 000	12 000
Fulltime Tribunal Member (JR Simpson)	2 049 062	1 814 441
Annual remuneration	1 608 126	1 524 285
Performance bonus for previous performance period	297 236	278 156
Leave paid out	131 700	–
Other fringe benefits	12 000	12 000
Fulltime Tribunal Member (LA Potwana: 9 Months in prior year)	1 797 348	1 167 312
Annual remuneration	1 608 126	1 158 312
Performance bonus for previous performance period	177 222	–
Other fringe benefits	12 000	9 000
15.3 EXPENSE ALLOWANCES INCLUDED UNDER TRAVELLING COSTS		
Executive Chairperson (DR Terblanche)	–	–
Executive Chairperson (JM Maseko)	28 857	17 164
Fulltime Tribunal Member (HV Devraj)	17 488	44 656
Fulltime Tribunal Member (JR Simpson)	35 686	50 642
Fulltime Tribunal Member (LA Potwana)	27 806	34 429
Chief Operating Officer (M Bosch)	15 690	27 841
Chief Financial Officer (WP Strauss)	–	1 926
Chief Financial Officer (A Moolla)	4 702	–
Chief Information Officer (BX Nomvete)	1 275	5 013
Registrar (LL Rabotapi)	56 336	19 513
Acting Registrar (P Moodley)	–	41 343
Corporate Services Executive (NKD Lolwane)	4 355	6 291
Acting Corporate Services Executive (M Nel)	–	4 914
Expense allowance paid to senior management	192 195	253 732
Expense allowance paid to other staff	151 297	197 805
Total expense allowance paid to employees	343 492	451 538

15.4 INCREASE IN EMPLOYEE-RELATED COSTS

The increase in employee-related costs can be attributed to a higher number of staff employed which on average was 62 employees in the 2018-19 financial year as compared to 53 in the previous year, this was due to an increase in the staff establishment and there were more vacancies in 2017-18 financial year. The additional full time member as well as the additional staff were necessary to achieve the mandate of the Tribunal. There was more leave paid out also according to the leave policy.

Senior Management and Tribunal Members: There was one additional Tribunal Member who was remunerated for 12 months versus 9 months in the previous financial year. At EXCO level there were two employees remunerated for 12 months versus 9 and 7 months in the previous financial year.

Other staff: There were six positions which were added to the organogram of which three were in middle management. These positions were filled in the current year and the employee cost had a significant increase on employee cost.

	31 March 2019	31 March 2018
	R	R
16. FINANCE COSTS		
Finance leases	93 449	57 975
	93 449	57 975
17. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit for the year	(6 630 486)	(8 987 542)
Adjusted for:	2 217 347	2 416 312
Amortisation	300 045	224 808
Depreciation	1 851 301	1 436 902
Assets impaired	–	–
Assets written off	7 047	18 705
Finance costs – Finance leases	93 449	57 975
Movement in provisions – Employee related costs	(34 495)	677 922
Operating surplus before working capital changes	(4 413 139)	(6 571 230)
Changes in Working Capital	502 121	538 155
Decrease/(increase) in accounts receivable	(366 381)	54 553
Decrease/(increase) in inventory	(11 752)	6 888
Increase/(decrease) in accounts payable	880 254	476 714
Cash generated in operations	(3 911 018)	(6 033 075)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

18. PRESENTATION OF BUDGET INFORMATION

The NCT prepares its annual budget primarily on an accrual basis. However, 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.

Quantitative and qualitative material differences between the final budget and the comparable actual amount are disclosed in the notes below. 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 0,6% of the budgeted total revenue for the financial year that ended on 31 March 2019 which amounts to R395 914.

18.1 INCOME FROM NON-EXCHANGE TRANSACTIONS

This income comprises of the grant received from **the dti**. An additional R2.7 million was received from **the dti**. This funding was for costs associated with adjudication.

18.2 ROLL-OVER

The NCT did not carry any funding over from the previous financial year.

18.3 INCOME FROM EXCHANGE TRANSACTIONS

This income comprises of filing fees received from filing parties for cases brought before the Tribunal. The Tribunal came in 57% under budget. The budget for 2018/19 financial year was prepared on the assumption that the case numbers for 2018/19 will increase by 30% while the actual case numbers decreased from the previous financial year. In addition the budget was prepared on the basis that each matter will be levied at R300 however the actual fee charged was R200. The anticipated increase in the case load by 30% was based on historical data which reflected significant increases in the caseload. The filing fee increased to R300 from the 1 April 2019, the increase was dependant on the approval of the Minister of **the dti**. The actual revenue versus the budget is set out in the table below:

Revenue from filing fees	Number of cases	Rate per case	Total
Budget	37 513	R300.00	R11 253 900
Actual	24 339	R200.00	R4 867 800
Shortfall in revenue	13 174		R6 386 100

18.4 INTEREST RECEIVED

Due to the retained funds being depleted in the 2017/18 financial year there were less funds available to earn interest. The NCT manages its cash flow to ensure that surplus funds are invested in a way that maximises interest earned on these funds.

18.5 ADMINISTRATIVE EXPENSES

Administrative expenses are underspent due to the implementation of cost savings measures and efficiency gains. There were savings in the areas of conferences with other regulators, legal fees and IT support.

18.6 OTHER OPERATING EXPENSES

Other operating expenditure is also underspent due to the implementation of cost saving measures. There were savings in the areas of Travel and Accommodation costs and Consulting fees. The savings in Travel and Accommodation is due to the motion courts not held in locations other than Centurion from August 2018.

18.7 TRIBUNAL MEMBERS' COSTS

The budget for Tribunal members costs is based on the number of cases that are expected to be filed with the NCT. As the number of cases were significantly less than what was budgeted for a saving was realised. In addition the screening of non-DRA matters prior to allocation to a Tribunal member and more matters being heard in one day by the same panel resulted in cost savings.

18.8 EMPLOYEE RELATED COSTS

The budget provided for Group Life Insurance for employees however this tender can only be concluded once the dti bargaining forum has concluded on the way forward.

	31 March 2019	31 March 2018
	R	R
19. COMMITMENTS		
19.1 OPERATING LEASES – BUILDINGS		
Lease payments under operating leases recognised in the surplus/(deficit) for the year	2 996 935	2 781 916
Future minimum lease payments		
Payable within one year	3 231 176	2 991 823
Payable after one year	1 389 200	4 620 365
	4 620 376	7 612 188
The operating lease relates to the Centurion office building situated at 272 West Avenue, Centurion. The lease agreement entered into is effective from 1 September 2014 and ends on 31 August 2020.		
19.2 OPERATING LEASES—OFFICE EQUIPMENT		
Lease payments under operating leases recognised in the surplus for the year	–	67 335
The operating leases for office equipment were purely incidental and relate to capitalised leases of photo copiers.		
19.3 FINANCE LEASES – OFFICE EQUIPMENT		
Refer to Note 7: Finance leases – Office equipment for commitments under finance lease agreements.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**
20 RELATED PARTIES
20.1 TRANSACTIONS WITH PARENT DEPARTMENT

Related parties are identified as being those parties that control or have significant influence over the NCT and those parties that are controlled or significantly influenced by the NCT. The NCT is a National Public Entity and falls under the control of the Department of Trade and Industry (**the dti**). The transaction with **the dti** is as follows:

	31 March 2019	31 March 2018
	R	R
Department of Trade and Industry (the dti) – Grant received	52 688 000	48 459 000
20.2 RELATIONSHIPS AND RELATED PARTY TRANSACTIONS		
20.2.1 State Departments and Public Entities		
The NCT forms part of the dti portfolio and the related entities are listed below. The NCT did not transact with any of the dti group entities during the current year.		
National Consumer Commission (NCC) – Sister entity within the dti group of entities and part of COTII who refer matters to the NCT for adjudication in terms of the Consumer Protection Act.	–	–
National Credit Regulator (NCR) – Sister entity within the dti group of entities and part of COTII who refer matters to the NCT for adjudication in terms of the National Credit Act.	–	–
Companies and Intellectual Property Commission (CIPC)	–	–
Companies Tribunal (CT)	–	–
National Empowerment Fund (NEF)	–	–
Export Credit Insurance Corporation of South Africa Limited (ECIC)	–	–
South African Bureau of Standards (SABS)	–	–
National Lotteries Commission (NLC)	–	–
National Gambling Board of South Africa (NGB)	–	–
South African National Accreditation System (SANAS)	–	–
National Metrology Institute of South Africa (NMISA)	–	–
National Regulator for Compulsory Specifications (NRCS)	–	–

		31 March 2019	31 March 2018
		R	R
20.2.2 Accounting Authority			
DR Terblanche (Executive Chairperson until 9 November 2016)	Aggregate remuneration	–	214 361
JM Maseko (Executive Chairperson from 01 July 2017)	Aggregate remuneration	2 522 308	1 519 649
JM Maseko (Executive Chairperson from 01 July 2017)	Reimbursement of purchases	2 211	980
Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15 for more detail.			
BC Dumisa (Acting Executive Chairperson until 30 June 2017)	Aggregate remuneration	–	440 315
BC Dumisa (Acting Executive Chairperson until 30 June 2017)	Reimbursement of purchases	–	1 141
Note: Aggregate fee for services rendered includes travelling expense. Also refer to Note 14 for more detail.			
20.2.3 Part-time Tribunal Members			
BC Dumisa (Deputy Chairperson until 9 November 2016)	Aggregate fee for services rendered	721 232	615 204
PA Beck	Aggregate fee for services rendered	709 740	981 701
X May	Aggregate fee for services rendered	344 527	888 400
HFN Sephoti	Aggregate fee for services rendered	12 560	53 574
T Woker	Aggregate fee for services rendered	574 938	697 912
FK Manamela	Aggregate fee for services rendered	629 019	662 554
L Best (Deputy Chairperson from 01 July 2017)	Aggregate fee for services rendered	451 142	334 930

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

20 RELATED PARTIES CONTINUED

20.2 RELATIONSHIPS AND RELATED PARTY TRANSACTIONS CONTINUED

20.2.3 Part-time Tribunal Members continued

		31 March 2019	31 March 2018
		R	R
JM Maseko (Until 30 June 2017)	Aggregate fee for services rendered	–	362 765
DR Terblanche (From 10 November 2016)	Aggregate fee for services rendered	697 909	1 031 280
FK Sibanda	Aggregate fee for services rendered	406 381	564 857
TA Bailey (From 01 July 2017)	Aggregate fee for services rendered	725 528	419 878
MC Peenze (From 01 July 2017)	Aggregate fee for services rendered	718 605	401 593
LL Rabotapi (From 01 July 2017 to 31 August 2017)	Aggregate fee for services rendered	–	12 905
NMD Nkomo (From 01 July 2017)	Aggregate fee for services rendered	601 535	296 057
NS Maseti (From 01 July 2017)	Aggregate fee for services rendered	271 289	234 621
K Moodaliyar (From 01 July 2017)	Aggregate fee for services rendered	454 880	330 076

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

		31 March 2019	31 March 2018
		R	R
20.2.4 Fulltime Tribunal Members and key Management			
HV Devraj (Fulltime Tribunal Member)	Aggregate remuneration	2 053 571	1 939 881
HV Devraj (Fulltime Tribunal Member)	Reimbursement of purchases	–	1 495
JR Simpson (Fulltime Tribunal Member)	Aggregate remuneration	2 049 062	1 814 441

		31 March 2019	31 March 2018
		R	R
20.2.4 Fulltime Tribunal Members and key Management			
<i>continued</i>			
JR Simpson (Fulltime Tribunal Member)	Reimbursement of purchases	5 578	12 708
LA Potwana (Fulltime Tribunal Member)	Aggregate remuneration	1 797 348	1 167 312
LA Potwana (Fulltime Tribunal Member)	Reimbursement of purchases	1 860	4 614
M Bosch (Chief Operating Officer)	Aggregate remuneration	1 913 502	1 806 445
M Bosch (Chief Operating Officer)	Reimbursement of purchases	110	17 896
WP Strauss (Chief Financial Officer)	Aggregate remuneration	–	813 022
WP Strauss (Chief Financial Officer)	Reimbursement of purchases	–	25
B Keet (Interim Chief Financial Officer)	Aggregate remuneration	–	567 722
A Moolla (Chief Financial Officer)	Aggregate remuneration	1 445 309	340 500
A Moolla (Chief Financial Officer)	Reimbursement of purchases	–	–
BX Nomvete (Chief Information Officer)	Aggregate remuneration	1 441 710	1 363 591
BX Nomvete (Chief Information Officer)	Reimbursement of purchases	8 917	233
P Moodley (Acting Registrar)	Aggregate remuneration	–	903 507
P Moodley (Acting Registrar)	Reimbursement of purchases	–	174
LL Rabotapi (Registrar)	Aggregate remuneration	1 550 022	765 159
LL Rabotapi (Registrar)	Reimbursement of purchases	12 349	769
M Nel (Acting Corporate Services Executive)	Aggregate remuneration	–	1 005 851
M Nel (Acting Corporate Services Executive)	Reimbursement of purchases	–	25 313
NKD Lolwane (Corporate Services Executive)	Aggregate remuneration	1 340 662	596 779
NKD Lolwane (Corporate Services Executive)	Reimbursement of purchases	–	9 000

Note: Aggregate remuneration excludes expense allowances. Also refer to Note 15 for more detail.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

20 RELATED PARTIES CONTINUED

	31 March 2019	31 March 2018
	R	R
20.3 AMOUNTS INCLUDED IN TRADE RECEIVABLES/(TRADE PAYABLES) REGARDING RELATED PARTIES		
HV Devraj (Fulltime Tribunal Member) (Travelling expenses)	–	(1 875)
JR Simpson (Fulltime Tribunal Member) (Travelling expenses)	–	(1 598)
P Moodley (Acting Registrar) (Travelling expenses)	–	(6 164)
DR Terblanche (Executive Chairperson and part-time Tribunal Member) (Fees and travelling expenses)	(135 390)	(61 358)
PA Beck (Part-time Tribunal Member) (Fees and travelling expenses)	(73 629)	(49 156)
L Best (Part-time Tribunal Member) (Fees and travelling expenses)	(56 535)	(5 953)
BC Dumisa (Part-time Tribunal Member and Acting Executive Chairperson) (Fees and travelling expenses)	(153 276)	(57 362)
FK Manamela (Part-time Tribunal Member) (Fees and travelling expenses)	(98 634)	(68 210)
X May (Part-time Tribunal Member) (Fees and travelling expenses)	(56 268)	(46 189)
HFN Sephoti (Part-time Tribunal Member) (Fees and travelling expenses)	(66 134)	(53 574)
FK Sibanda (Part-time Tribunal Member) (Fees and travelling expenses)	–	(116 635)
T Woker (Part-time Tribunal Member) (Fees and travelling expenses)	(60 941)	(38 073)
TA Bailey (Part-time Tribunal Member) (Fees and travelling expenses)	(114 574)	(36 623)
MC Peenze (Part-time Tribunal Member) (Fees and travelling expenses)	(37 969)	(67 887)
N Nkomo (Part-time Tribunal Member) (Fees and travelling expenses)	(105 551)	(23 759)
NS Maseti (Part-time Tribunal Member) (Fees and travelling expenses)	(51 746)	(48 321)
K Moodaliyar (Part-time Tribunal Member) (Fees and travelling expenses)	(69 586)	(127 647)

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.

	31 March 2019	31 March 2018
	R	R
Financial assets		
Loans and other receivables	3 398 856	9 059 151
Trade and other receivables (refer to Note 5)	913 109	546 728
Cash and cash equivalents (refer to Note 6)	2 485 747	8 512 423
Financial liabilities		
Trade and other payables	6 380 306	5 500 052
Trade and other payables (refer to Note 8)	2 884 195	2 752 252
Accruals (refer to Note 8)	3 496 111	2 747 800

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

21.1 FINANCIAL RISK MANAGEMENT CONTINUED

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.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
At 31 March 2019			
Finance leases (refer to Note 7)	321 300	169 248	–
Trade and other payables (refer to Note 8)	6 380 306	–	–
	6 701 606	169 248	–
At 31 March 2018			
Finance leases (refer to Note 7)	350 116	485 804	–
Trade and other payables (refer to Note 8)	5 500 052	–	–
	5 850 168	485 804	–

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 2019 R	31 March 2018 R
Balances exposed to interest rate risk		
Cash and cash equivalents (refer to Note 6)	2 485 747	8 512 423
	2 485 747	8 512 423

21.1.3 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 credit worthiness. In addition, receivable balances are monitored on an ongoing basis, resulting in exposure to bad debts being insignificant. Provision is made for doubtful debts when there is a significant risk that the debt might not be recovered. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

	31 March 2019	31 March 2018
	R	R
Financial assets exposed to credit risk at year-end were as follows:		
Financial instrument		
Trade and other receivables – Unrated	913 109	546 728
Cash and cash equivalents – B rating (Standard and Poor’s)	2 485 747	8 512 423
	3 398 856	9 059 151
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	913 109	546 728
Cash and cash equivalents neither past due nor impaired	2 485 747	8 512 423
	3 398 856	9 059 151

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **CONTINUED**

	R	R
22. CHANGE IN ACCOUNTING ESTIMATES		
Impact of changes in accounting estimates		
(Increase) in net surplus	-	-
Increase in property, plant and equipment	-	-
	-	-

In the current year financial year management re-assessed the useful lives of property, plant and equipment and intangible assets. No changes were made to the useful lives of Property, Plant and Equipment and Intangible assets. There were no changes necessary.

23. FRUITLESS AND WASTEFUL EXPENDITURE

Management has not identified any fruitless and wasteful expenditure in the years ended 31 March 2019 and 31 March 2018.

24. IRREGULAR EXPENDITURE

	31 March 2019 R	31 March 2018 R
Opening balance	-	136 857
Add Irregular expenditure identified	-	-
Less Irregular expenditure condoned	-	(136 857)
Closing balance	-	-

DETAILS OF IRREGULAR EXPENDITURE

Irregular expenditure to the amount of R136 857 was identified in the 2016/17 financial year. This was as a result of a bid being awarded based on the copy of the winning bidder's B-BBEE status level certificate without having a certified copy on file as required by the Preferential Procurement regulations. A certified copy of the original certificate was subsequently obtained and confirmation that value for money was received, was performed. A request for the condonation of the irregular expenditure was submitted to National Treasury and the irregular expenditure was condoned.

25. EVENTS AFTER THE REPORTING DATE

Subsequent to year end the Chief Operating Officer, Ms M Bosch, resigned from the employ of the NCT. The financial statements do not require any adjustment with regard to this resignation. 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 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 annual financial statements, the following accounting standards of Generally Recognised Accounting Principles (GRAP) and interpretations of GRAP standards were in issue, but not yet effective:

	Number	Future Impact for the NCT	Effective Date
Related Party Disclosures	GRAP 20	Applicable to the NCT	01 April 2019
Service Concession Arrangements: Grantor	GRAP 32	Not applicable to the NCT	01 April 2019
Separate financial statements	GRAP 34	Not applicable to the NCT	01 April 2020
Consolidated financial statements	GRAP 35	Not applicable to the NCT	01 April 2020
Investments in associates and joint ventures	GRAP 36	Not applicable to the NCT	01 April 2020
Joint arrangements	GRAP 37	Not applicable to the NCT	01 April 2020
Disclosure of interests in other entities	GRAP 38	Not applicable to the NCT	01 April 2020
Statutory Receivables	GRAP 108	Applicable to the NCT	01 April 2019
Accounting by Principals and Agents	GRAP 109	Not applicable to the NCT	01 April 2019
Living and non-living resources	GRAP 110	Not applicable to the NCT	01 April 2020
Service Concession Arrangements where the Grantor Controls a Significant Residual Interest in an Asset	IGRAP 17	Not applicable to the NCT	01 April 2019
Recognition and Derecognition of land	IGRAP 18	Not applicable to the NCT	01 April 2019
Liabilities to Pay Levies	IGRAP 19	Not applicable to the NCT	01 April 2019
Applying the probability test on initial recognition revenue (amendments)	IGRAP 1	Applicable to the NCT	01 April 2020
Accounting for adjustments to revenue	IGRAP 20	Applicable to the NCT	01 April 2020
Accounting for Arrangements Undertaken in terms of the National Housing Programme	Guideline	Not applicable to the NCT	01 April 2019

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2019 **CONTINUED**

28. CONTINGENT LIABILITIES

There are no contingent liabilities.

29. CAPITAL COMMITMENTS

There were no commitments of a capital nature made.

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

TRIBUNAL MEMBERS RÉSUMÉS



Prof Joseph Maseko

Qualifications: PhD Management (UK); MPhil Labour Law (University of Johannesburg; LLB (UNISA); Advanced Diploma in Labour Law (Randse Afrikaanse Universiteit); Graduate Diploma in Company Direction (GIMT); Advanced Diploma in Management (SAIM); Diploma in Personnel Management (ICS); Certificate in O&M (RIPA – UK); Certificate in Psychometric Testing (Thomas International Europe Ltd); Certificate in Training of Trainers (IPM); Certificate in Debt Counselling (University of Pretoria); Certificate in Curriculum Design (Central Training Unit); Certificate in Management Development Programme (University of the Witwatersrand; Certificate in Law and Mediation (TPU); Certificate in Internal Auditing (UNISA). Prof Maseko was admitted as an Advocate of the High Court in South Africa in 2017.

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 a major passion and one of his key focus areas. In 2014, he was appointed by the United Nations Industrial Development Organisation (UNIDO) to draft, compile and present consumer protection legislation and regulations for Swaziland, (later known as eSwatini). The drafted Act and regulations were then left with the Swaziland Ministry of Commerce, Industry and Trade for parliamentary submission.

In March 2015, as well as in March 2018, Prof, Maseko also conducted training of the management and staff and some stakeholders of the Fair Trading Commission (FTC) of the Republic of Seychelles. The Training for both engagements took place within a week (per session) in Victoria, on Mahe Island).

Prof Maseko was a Part-Time Tribunal Member of the National Consumer Tribunal (NCT) from November 2011. He also served as a member of the Mpumalanga Consumer Affairs Court from 2009. In 2014, he was appointed the Chairperson of that Court for a three-year term ending in 2018. He however, exited that appointment early after assuming the Executive Chairperson position with the NCT from July 2017.

He is also the founder and of Maseko Management Services CC, a consulting firm based in Mpumalanga and Gauteng. Prof Maseko has previously served as a National Senior Commissioner of the Commission for Conciliation; Mediation and Arbitration (CCMA) in 1999 as well as a Part-Time Senior Commissioner between 1997 and 1998. While serving Part-time as the CCMA Senior Commissioner, he also conducted conciliations and arbitrations for the Public Sector Bargaining Councils (PSCBC, SSSBC, GPSSBC, PHSDSBC) and a few Private Sector Bargaining Councils and one Statutory Council).

While serving as a Part-Time Member of the Tribunal, Prof Maseko served as a Chairperson of the Human Resources Governance Committee of the National Consumer Tribunal. He has served as Chairperson for disciplinary hearings of the NHBRC (National Home Builders Registration Council) which considers offences by Home Building Contractors under the applicable Act since November 2015. He also served on the panel of mediators in the Land Reform Programme of the Department of Rural Development and Land Reform (DRDLR).

Prof Maseko was appointed Executive Chairperson of the Tribunal from 1 July 2017 to date. And with regard to Board appointments, Prof Maseko has previously sat on boards of the Mpumalanga Development Corporation, the Mpumalanga Tourism and Parks Authority; the Songizwe Trust; National Botanical Institute (NBI) as it then was, which later changed to the South African National Botanical Institute (SANBI) and Royal Swaziland Insurance Company.

Prof Maseko has also held numerous executive management positions in academia, brewing; manufacturing, government, forestry, consulting with an Auditing firm, in South Africa, Swaziland and Botswana. He had a consulting stint on attachment in management consulting at the West Midlands County Council; in Birmingham UK, while studying at Royal Institute of Public Administration (RIPA) of London in the UK.

While Prof Maseko has since his full-time appointment to the NCT, resigned all his Board and Panel appointments; to avoid conflict of interests, he still volunteers during his leisure time; as an unpaid Director of a Non-Profit Organisation called Children in Distress (CiD) based in White River, near Nelspruit. This NPO feeds and provides computer skills and financial and family support to orphans by pairing them with the destitute grannies that have lost their own children to crime and the HIV and AIDS pandemic around Greater Mbombela. This region stretches from White River to Hazyview and surrounding townships and villages. He has since the end of 2018 been appointed to serve on the Council of the Cape Peninsula University of Technology (CPUT) and on three of its Committees.



Dr Laura Best

Qualifications: DPhil: Commerce
– Business Management (Nelson
Mandela University)

Dr Best divides her time between the NCT and her position as Special Assistant to the Vice-Chancellor of the Nelson Mandela University (NMU). She is a member of the International Group of Experts on Consumer Protection and Competition at the United Nations Conference on Trade and Development (UNCTAD) in Geneva. She also actively participates and contributes to debates, webinars and discussions in the African Dialogue, which brings together consumer protection officials from a number of African Countries.

Dr Best is also an active researcher in the field of consumer protection with a particular focus on sustainability and the African consumer market. She has written articles and conference papers and most recently participated at the G20 Consumer Summit in Argentina on an expert panel on “Consumer Education and Initiatives on Food Loss and Waste” and at Consumers International Members’ Meeting in Portugal, presenting on “Challenges facing Consumers Internationally”. She is a facilitator of gender main-streaming training in the public sector, and is pursuing her goal of learning to speak French.

TRIBUNAL MEMBERS RÉSUMÉS CONTINUED



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 is now an ordinary Tribunal Member (on his third five-year term) having served as the NCT's Acting Executive Chairperson for eight months (November 2016 – June 2017), and served as the NCT's Deputy Chairperson for 10 years (two consecutive five-year terms) 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 in 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 a Board Member of the KwaZulu-Natal Liquor Authority, and its former Deputy Chairperson of the eThekweni Local Committee. He is a Commissioner at the Broadcasting Complaints Commission of South Africa (BCCSA). Prof Dumisa is also one of the Presiding Officers at the Private Security Industry Regulatory Authority (PSIRA). He also serves on the Council of the University of Zululand.



Ms Diane Terblanche

Qualifications: BA and LLB degrees, University of the Western Cape, LLM, University of Pennsylvania (USA)

Passionate about the rights of South African consumers, Ms Terblanche has been the Executive Chairperson of the National Consumer Tribunal since its inception until November 2016. She has been an admitted attorney for 31 years. Her experience in consumer protection spans a period of approximately 26 years, within and outside South Africa. She engaged as a lobbyist for consumer protection, was on the forefront of drafting consumer protection policies, laws and strategies for their effective implementation and took the lead in many instances in implementing those policies, laws and plans. Through Ms Terblanche's strong and dynamic leadership skills, the NCT is and has become a trusted, independent adjudicative entity in South Africa. She currently practices under the name and style of Diane Terblanche Attorneys and is the founding member of ConsumerWeb, a company focusing on maximising consumers' access to their rights.



Mr Sibanda specialises in regulatory economics and competition policy matters and has held a number of senior positions at the Competition Commission, dti and the Independent Communications Authority of South Africa (ICASA). Among others, he was involved in the drafting of the Consumer Protection Act and its regulations as well as the regulations under the National Credit Act. He is a part-time regulator member of the National Energy Regulator of South Africa (NERSA), a non-executive director of the Tshwane Economic Development Agency and a co-founder of Hekima Advisory. The Wits Law School often invites Mr Sibanda as a guest lecturer on Competition Economics.

Mr Fungai Sibanda

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



Ms Beck was admitted as an attorney in 1992 and honed her consumer protection knowledge in the NGO sector, where she served the Legal Resources Centre, the Housing Consumer Protection Trust and the Black Sash, among others, for many years. She is currently Chairperson of the Social Assistance Appeals Tribunal, a Director at the Ombudsman for Banking Services, a member of the Office of Disclosure of the Department of Human Settlements, a Council 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 practising attorney at Beck-Paxton Attorneys.

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)

TRIBUNAL MEMBERS RÉSUMÉS CONTINUED



Adv. Frans Kgolela Manamela

Qualifications: BJuris and LLB
(University of the North)

Adv. Manamela has been involved in consumer affairs 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. He served with distinction as Consumer Protector until 2005, when he was appointed to lead the Gauteng office of Consumer Affairs. Adv. Manamela currently serves as the Chief Director of Consumer Affairs and Business Compliance in the Gauteng Department of Economic Development. He is also a visiting Lecturer at the University of the Witwatersrand's School of Law, offering Consumer Protection studies to Law students for free. He has presented papers on consumer protection issues in many conferences in South Africa and beyond. He also serves as 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 Head of Department at North West Tourism which is part of the North West Provincial Government. 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 a particular interest in consumer law. She served as the Vice-Chairperson and Chairperson of **the dti's** Consumer Affairs Committee and as the Chairperson of the Financial Services Ombuds Council and was a 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: B Soc Science Psychology and Industrial Psychology; B Soc Science (Hons) and currently completing an LLB.

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 dti** as Director of Operational Management in the Corporate Regulation Division. Ms Devraj is now a full-time Tribunal Member, and her insight into the inner workings of the Tribunal is well regarded. Ms Devraj also served as an Appeals Tribunal Member at the Film and Publication Board and currently serves as a REMCO Member for SAMSA.

TRIBUNAL MEMBERS RÉSUMÉS CONTINUED



Adv. John Simpson

Qualifications: B.Juris 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.



Mr Andisa Potwana

Qualifications: B.Juris & LLB (University of Transkei), Certificate in Legislative Drafting & LLM (University of Pretoria)

Mr. Potwana was admitted as an attorney in 2000. Initially practicing law in a private law firm; his passion for civil and commercial litigation resulted in him being appointed as Project Manager: Small, Medium and Micro Business Enterprises Project of the University of Natal Campus Law Clinic. In this role he provided legal advice to SMMEs and represented them in litigation. Part of his responsibilities was lecturing final year LLB students on forms of business enterprises and managing an outreach project. His civil litigation skills were enhanced during his tenure as Head of the Civil Litigation Unit at the Pietermaritzburg Legal Aid Board's High Court Unit. His passion for reaching new horizons led him to join the Competition Commission of South Africa as legal counsel but he was soon promoted to the position of senior legal counsel. His deep-seated interest in consumer law caused him to leave a very successful career at the Competition Commission and join the Department of Trade and Industry where he spent almost eight years as Director: Consumer Law and Policy. In this role; amongst numerous other responsibilities; he managed the drafting of the Consumer Protection Act 68 of 2008 regulations, and was responsible for evaluating and recommending the prescription of the industry codes and the accreditation of the

Motor Industry Ombudsman of South Africa and the Consumer Goods and Services Ombud. During this time; he served on the board of the National Home Builders Registration Council for 5 years and on the erstwhile Financial Services Board's Electronic Commerce Advisory Committee.



Ms Nomfundo Maseti

Qualifications: BA (Honours) (Economics); Post-graduate Diploma in Economics for Competition Law

Ms. Maseti is currently a Full Time Regulator Member responsible for the economic regulation of the Gas Industry and has recently been appointed by the Minister of Energy to act as the Full-Time Regulator Member responsible for Electricity Regulation until the position is filled. She also serves in the Petroleum Subcommittee that takes regulatory decisions on matters relating to Petroleum Pipelines Regulation at NERSA. She also serves as a member at the National Consumer Tribunal which adjudicates on consumer protection matters.

Collectively Ms. Maseti has 20 years' experience in Competition Law Enforcement and Economic Regulation. She has held various positions at **the dti**, responsible for policy formulation and developing regulation and legislation around areas of competition and consumer policy corporate law, and liquor gambling policies/legislation. She served seven years at the Competition Commission. She also serves at the economic regulator for telecommunication, ICASA, and currently works at the National Energy Regulator of South Africa.



Ms Maleho Nkomo

Qualifications: BCom and Hon BCom (Economics) (University of South Africa), MCom (University of KwaZulu Natal), International Training Program on Utility Regulation and Strategy (University of Florida, USA)

Ms Nkomo has many years' experience of working in complex and highly regulated environments with special focus on consumer and public interest matters. She is currently the Deputy Chairman at the National Energy Regulator of South Africa, member of the Water Tribunal and the Regulating Committee on Meteorological Services, and a Dispute Panel Member of the National Intellectual Property Management Office. Previously, Ms Nkomo was a member of the Gauteng Rental Housing Tribunal, board member at the National Credit Regulator, and has acted as Deputy Commissioner and Chief Financial Officer at the Competition Commission. Ms Nkomo also serves as a non-executive and independent Director of various Boards and audit committees in the private and public sectors.

TRIBUNAL MEMBERS RÉSUMÉS CONTINUED



Prof Kasturi Moodaliyar

Qualifications: B. Proc, LLB, LLM (Natal) MPHIL (Cambridge UK) Prog. Economics and the Public Finance (UNISA) Prog. Legislative Drafting (UP), Conflict Dynamics Accredited Mediator, CEDR (UK)

Prof Moodaliyar is an Associate Professor of Competition Law at the University of the Witwatersrand's School of Law and was appointed as a part-time tribunal member to the National Consumer Tribunal in 2017. Prior to her joining the Law School in February 2005, she worked at the Competition Commission in Pretoria. Prof Moodaliyar graduated from the University of Natal with B.Proc, LLB and LLM degrees. She was admitted as an Attorney of the High Court of South Africa in 2000. Prof Moodaliyar was awarded the Nelson Mandela Magdalene scholarship to read for her M Phil degree in criminological research at Cambridge University in 2001. In 2004 she completed the Programme in Economics and Public Finance at Unisa. In 2015 she completed the Programme in Legislative Drafting at the University of Pretoria.

She has published both nationally and internationally in the field of competition law. Her fields of interests include competition law, criminology, criminal law and telecommunications regulation. Prof Moodaliyar has been recognised as one of the Best of the Best: Up and Coming Top Female Antitrust and Law Professors (2010) and made the list of the Mail & Guardian 200 Top Young South Africans (2012). She co-edited the book "Development of Competition Law and Economics in South Africa" (2012).

Prof Moodaliyar served a term at the Film and Publication Board as an Appeal Tribunal Member from 2011 until 2016. She is also an adjudicating member of ICASA's Complaints and Compliance Commission where she deals with a number of matters in the ICT sector including matters on licensing and broadcasting and telecommunications regulation. Prof Moodaliyar is also a member of the Companies Tribunal and is an accredited mediator.



Dr Adv Maria Peenze

Qualifications: B.luris (cum laude), LLB (cum laude), LLM: Human Rights (cum laude) (University of the Free State); Doctor Technologiae: Business Administration (Central University of Technology); Africa Directors Programme (University of Stellenbosch Business School).

Dr Adv Maria Peenze is a practising Advocate of the Supreme Court of South Africa since 1994. She started her career in the Bloemfontein Bar of Associates and specialised in human rights ever since. She occupied various executive positions over her career, including Executive Director: Organisational Administration at the Central University of Technology, Head of Legal Services at the Social Security Agency of South Africa, Deputy Director-General at the National Department of Transport for a period of eight years and the Chief Executive Officer of the Public Protector of South Africa until May 2016.

Dr Adv Peenze is presently practising as a Certified Risk Examiner and governance specialist, holding various board and governance appointments in both the private and public sector, also serving as the Ombudsman of UNISA and member of the International Advisory Board of the Association of Certified Fraud Examiners.

TRIBUNAL MEMBERS RÉSUMÉS CONTINUED



Mr Trevor Bailey

Qualifications: BA, LLB (University of KwaZulu-Natal); LLM (University of Notre Dame – USA [cum laude]); Accredited mediator (Centre for Effective Dispute Resolution – UK); Programme in Legislative Drafting (University of Pretoria [with distinction])

Mr Bailey is a Fulbright scholar and has practised as an attorney, mediator and arbitrator for many years.

He is currently a part-time CCMA commissioner, and a court-annexed, community, land rights and environmental mediator. Mr Bailey is also a conciliator and adjudicator for the Community Schemes Ombud Service. Mr Bailey currently chairs the Council for Medical Schemes appeals committee.

Mr Bailey has served as an acting judge in the Labour Court and an additional member of the Industrial Court. He has also served as a mediator and arbitrator for a range of bargaining councils in the local government, public service, road freight and Transnet spheres. He has further chaired the disciplinary committees of the National Home Builders Registration Council and the Council for the Built Environment.

Mr Bailey has chaired the Gauteng Consumer Affairs Court, Gauteng Rental Housing Tribunal, and Gauteng Heritage Resources Appeal Tribunal. In addition, Mr Bailey has also been a member of the Independent Electoral Commission Tribunal and Gauteng Landlord Tenant Dispute Resolution Board.

Mr Bailey's regulatory law practice has resulted in him having been the chairperson of the board of the National Credit Regulator, deputy chairperson of the Council for Medical Schemes and a member of the Boards of the Community Schemes Ombud Service and Cross-Border Road Transport Agency.

He is an accredited trainer and has trained in the employment, consumer, housing and medico-legal sectors. Mr Bailey delivers occasional lectures to postgraduate students, government officials and local government councillors at the University of the Witwatersrand. Mr Bailey has appeared on national radio and television.



ANNEXURE B: GOVERNANCE COMMITTEE MEMBERS' RÉSUMÉS

AUDIT AND RISK COMMITTEE



Mr Thomas Kgokolo

Qualifications: CA (SA), MBA

Mr Thomas Kgokolo CA (SA) is the founder of FinEquity Advisory, a company that specialises in business valuations, investment management and business strategy. Mr Kgokolo is a Chartered Accountant and holds an MBA from the Gordon Institute of Business Sciences where he currently lectures corporate finance.

At age 34, Mr Kgokolo is the Chairperson of the Audit and Risk Committee at the Mineworkers Provident Fund (MWPF), a position that requires him to look after R28 billion assets under management. He is also a Deputy Chairperson of MWPF's Board. Moreover, he serves as the Chairperson of the Audit and Risk Committee at the BankSeta and the National Consumer Tribunal. Through various positions as a board and audit committee member, he has oversight of private and public entities with a combined net asset value of +-R30 billion.

During the year under review, he joined Air Traffic Navigation Systems (ATNS) SOC Limited as a Board Member. He also serves as a Member of the Audit and Risk Committee at ATNS and Local Government Seta.

Mr Kgokolo was been nominated for various awards such as: Top Chartered Accountant under 35 and Top 40 Outstanding Young Leader under 40 by Destiny Man Magazine.



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 at 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.



Mr Tshepo Mofokeng

Qualifications: BCom BAcc (University of the Witwatersrand), CIA, CA (SA)

Mr Mofokeng is a member of the Audit Committee of the National Consumer Tribunal (NCT) and is a director at PKNT Risk and Governance, a company that specialises in risk management and governance consulting. He was a partner for internal audit, governance and risk management and director at SekelaXabiso, and Rakoma & Associates.

He has over 16 years' experience in auditing, risk management, financial management, financial reporting and corporate governance. Mr Mofokeng led and managed audits for private companies, NGOs, government departments, state owned entities and municipalities. He was involved with the task team that drafted the Internal Audit Framework in the Public Service. The document has been published by the National Treasury.

Mr Mofokeng was director and audit committee chairperson of Litsamaiso (A Rea Vaya transport company in Johannesburg). He was deputy chairperson on the Board of the National Nuclear Regulator (NNR), served as chairperson of the audit and risk committee (ARMCOM), and also served on the audit committees

of audit committees of the Railway Safety Regulator (RSR), Department of Energy (DoE) and Department of Communications (DoC).

Mr Mofokeng currently serves as a member of the audit committees of the Department of Planning, Monitoring and Evaluation, Department of Home Affairs, and the office of the Chief Justice.



Mr Willem Strauss

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) (University of Cape Town) MBA (Bond University Australia – SA Campus (Cum Laude))

Mr Strauss not only completed his studies in law, but also qualified as a Chartered Accountant. He was also a part-time lecturer at the University of the Free State while he had his own accounting practice. He had a lengthy tenure at the Auditor-General of South Africa, first as Audit Manager and then as Senior Manager. He joined the NCT in September 2011 as Chief Financial Officer until July 2017 when he joined the National Energy Regulator of South Africa as their Chief Financial Officer.

AUDIT AND RISK COMMITTEE CONTINUED



Mr Suleman Badat

**Audit and Risk Committee
Chairman**

Mr Badat is a Chartered Accountant and currently serves on the following boards and audit committees:

- Air Traffic and Navigation Services SOC Ltd – Independent non-executive director;
- Umgeni Water Board – Independent non-executive director;
- Marine Living Resources Fund: Member of the Audit & Risk Committee;
- National Regulator for Compulsory Specifications: Chairman of the Audit & Risk Committee.

Mr Badat also served on the King Committee for Corporate Governance.



Ms Rudzani Rasikhinya

Audit and Risk Committee member

Rudzani Rasikhinya is a well-rounded Chartered Accountant (CA) SA with solid experience at senior management level in both public and private sector. She is the Managing Director of Rudkor Consulting Services (Pty) Ltd. She served as the Chief Financial Officer and Executive Director of State Information Technology Agency (SITA) until 30 September 2018. Prior to this she was the CFO of SENTECH and Department of Home Affairs. She also worked for the National Treasury as Chief Director Accounting Support and Reporting where she was responsible for consolidation of the whole of government accounts. She has more than 19 years of working experience. She has extensive knowledge in the IFRS, PFMA, MFMA and Corporate Governance.

She is a board member of CHAPS, Phiriphiri Educational Foundation NPO. She previously served as board member of the Accounting Standard Board and Institute of Internal Auditors South Africa, alternate board member for Government Employees Pension Fund and The Independent Regulatory Board for Auditors.

ICT GOVERNANCE COMMITTEE



Dr Dala is an experienced and skilled independent Non-executive Director who serves on several Boards, Audit, Risk and ICT Committees providing audit, risk, governance, information security, privacy and ICT expertise. He has over 14 years' experience across several industry verticals, which includes an array of local and international client engagements within a Big 4 professional services environment, regulatory firm and a number of public and private sector organisations. Dr Dala currently serves as the Chairperson of the IT Governance Committee of the National Consumer Tribunal.

Dr Prittish Dala

Qualifications: PhD (Information Technology), Masters (Information Technology) and BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHF).



Ms Menye is a member of the Film and Publication Board (FPB) and serves as a member of the FPB's ICT Steering Committee. She is also a member of the South African Heritage Resources Agency, where she also serves as Chairperson of the Audit and Risk Committee. Ms Menye obtained invaluable experience from the following entities and held respective executive positions including amongst others the Public Investment Corporation where she held the position of Executive Head: IT, the Road Accident Fund where she served as Chief Information Officer; Mpact Limited serving as Group Chief Information Officer and Armscor where she similarly held the position of Chief Information Officer.

Ms Vuyokazi Menye

Qualifications: BSc (Computer Science) (University of the Western Cape), Diploma in IT Project Management (Executive Education) CobIT (Forster Mellier) ITIL (Forster Mellier) International investment program (Fordham University (New York))

HR GOVERNANCE COMMITTEE



Mr Thlotse E Motswaledi

Qualifications: MBL; M.Sc (Psych);
M.Dip (HRM); B.Sc (Hons)(Psych)

Professional Memberships: PMSA;
IBASA; IoDSA; SACNA

Mr Motswaledi has completed an intense short learning programme in Project Management & Leadership (PML) at the University of Massachusetts, Amherst (USA) and is trained in Architectural Draughtsmanship & Construction Management, a programme completed through the Engineering College of South Africa in 1986. He uses the exposure, knowledge, skill and experience in all Programme and Project Management classes he facilitates at Associate Universities, as well as in Boards where such becomes an advantage. Coupled to this experience, Mr Motswaledi has a keen interest in Neuropsychology, Neuroscience and Psychophysiology having studied Psychology to M.Sc level.

As an integrative generalist, he has facilitated Management training across many disciplines including but not limited to Strategic & Operations Management; Programme & Project Management; Leadership & Organizational Development; Policy Management; Strategic HR Management; Health Management, Research Methodologies & Statistics. The latter was given impetus by various positions he held in the past i.e. Executive Director (Human Resources) in a Tertiary Education/Hospital

Complex; Head of Corporate Services in a Skills Development Enterprise, Senior Management Consultant as well as being an Academic & Business Development Manager in Private Higher Education Institutions.

Mr Motswaledi has over 20 years of Academic teaching/facilitation at different levels having lectured at the Wits School of Governance (WSG); Wits Business School (WBS); UNISA School of Business Leadership (SBL); UNISA Centre for Business Management (CBM); Tshwane University of Technology (TUT) as well as at the Medical University of Southern Africa (now Sefako Makgatho Health Sciences University). In addition, he has also served as an Associate Academic in non-facilitation roles at different institutions of higher learning. His planned PhD is on hold while he explores an interface of Public-Private Partnerships and related information and technology projects, within a health referral system with the view to proposing an alternative model(s) for efficiencies and effectiveness.

Mr Motswaledi is functionally acquainted and/or literate with King Reports, the Finance Management Acts in the Public sector, the Companies Act and other relevant legislation that drive a number of sectors in the South African environment. To complement years of experience, he has concluded six of seven IoDSA (Institute of Directors) training parts with the view to preparing for a Certified or Chartered director designation.



Ms Nomkhita Mona

Qualifications: MBA (Rhodes), Masters in Labour Relations & Human Resources (UPE), Honours, Industrial Relations (UPE), BA Psychology & Sociology (UPE)

Ms Nomkhita Mona is the Chief Executive Officer of the Nelson Mandela Bay Business Chamber. Previously, she was Group CEO of South African Forestry Company Ltd (SAFCOL). Other top positions she has held include CEO of the UDDI, Associate Consultant for an International Consulting company, CEO of Inkezo Land Company and CEO of the Eastern Cape Tourism Board. Prior to this, she was the Registrar of the Commission for Conciliation, Mediation and Arbitration (CCMA) in Mpumalanga. She was also a Commissioner of the Eastern Cape Planning Commission (ECPC).

Ms Mona was the first Black woman to be appointed to the board of Goodyear Tyre and Rubber Holdings (SA). She was a Member of Council at the St Andrews College in Grahamstown.

She currently serves on the board of the Wilderness Foundation (SA), where she is also a trustee, is a Member of ICASA Remco, National Consumer Tribunal (HR Governance Committee), NMU Business School Advisory Board and eNtsa Board.



ANNEXURE C: EXECUTIVE COMMITTEE MEMBERS' RÉSUMÉS

EXECUTIVE COMMITTEE MEMBERS' RÉSUMÉS



Ms Marelize Bosch

Chief Operational Officer

Qualifications: LLB (University of Pretoria) Project Management Diploma (Independent Institute of Education)

Ms Bosch is a seasoned and eminent attorney and conveyancer with considerable amount of experience in commercial law. She left private practice during 2009 to join the corporate environment. She specialised in providing legal advisory services until she joined the National Consumer Tribunal (NCT) during June 2011 as the Head: Legal Services. She became the Registrar of the Tribunal during 2012 and was subsequently appointed as COO of the NCT in May 2014. Ms Bosch is passionate about people and consumer rights and is very grateful that she can fulfil her passion on a daily basis. She is a qualified ORSC (Organisation Relationship Systems Coaching) coach, member of the International Coaching Federation and a member of the Institute of Directors of Southern Africa. Ms Bosch attends all governance committee meetings, as well as operational meetings in her official capacity. In addition, she is the Chairperson of EXCO, MANCO and the ICT Steering Committee.



Adv. Nelson Lolwane

Corporate Services Executive

Qualifications: BA (Majoring in Law and Political Science), LLB; (H. Dip. Company Law) (University of the Witwatersrand).

Adv. Lolwane was the legal advisor at Transnet Limited, General Manager at Magalies Water, Chief Legal Counsel at the Competition Commission and Associate Director at Ernst & Young (SA) among others, before embarking on regulatory and compliance consulting business. He joined the NCT in October 2017 as the Corporate Services Executive. In addition, he is a member of EXCO and a member of the HR Governance Committee.

EXECUTIVE COMMITTEE MEMBERS' RÉSUMÉS CONTINUED



Mr Lucky Rabotapi

Registrar

Qualifications: BA (Majoring in Law, International Relations and Sociology) and LLB (University of the Witwatersrand); Diploma in Alternative Dispute Resolution (Arbitration Foundation of South Africa (AFSA) with the University of Pretoria).

Mr Rabotapi is an admitted attorney of the High Court with vast experience in Consumer Protection. After completing his articles, he practised as a Professional Assistant in a medium size law firm before joining the Office of Consumer Protection (OCP) in the Consumer and Corporate Regulations Division (CCRD) within **the dti** as an Assistant Director in May 2005. He was promoted to the position of a Deputy Director responsible for Alternative Dispute Resolution in January 2006. In 2009, he joined KwaZulu-Natal Consumer Protection Services as a Consumer Protector. In 2015, he joined the Community Schemes Ombud Services as an Ombudsman responsible for Kwazulu Natal, Free State and Mpumalanga Provinces. He was appointed as a part-time Tribunal member in July 2017 and joined the Tribunal full time in September 2017 as the Registrar. Mr Rabotapi is member of EXCO and also serves in the ICT steering committee.



Mr Ahmed Moolla

Chief Financial Officer

Qualifications: B.Com (Rau) B.Com (Hons)(Unisa) RGA

Mr Moolla is registered with the South African Institute of Government Auditors as a Registered Government Auditor. He has an extensive background in regularity audit in government. He was a Senior Manager for a period of six years at the Auditor General of SA. Mr Moolla attends the Audit and Risk Committee in his official capacity. He is an EXCO member and also serves on the ICT Steering Committee.



Mr Nomvete has obtained qualifications both locally and abroad. He was employed as a Business and IT Director at Saicom Phones, 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 Governance and ICT Steering Committee.

Mr Bax Nomvete

Chief Information Officer

Qualifications: Higher National Diploma in Computer Science (University of Hertfordshire (UK))
Investment Management Diploma (Rand Afrikaans University)

MANCO AND EXCO



Exco and Manco Team

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 a (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.

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