ANNUAL REPORT 2020/21

COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION

Imvuselelo - The Revival

The 2020/21 - 2024/25 Strategy

"I am because you are"

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GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered name
Commission for Conciliation, Mediation and Arbitration (CCMA)

Registered office address
JCI House, 28 Harrison Street, Marshalltown, Johannesburg, 2001

Postal address
Private Bag X94, Marshalltown, 2107

Contact telephone number
011 377 6650

Email address
ho@ccma.org.za

Website
www.ccma.org.za

External Auditor's Information
Name: Auditor-General South Africa
External Auditor's Address: 34 Daventry Street,
Lynnwood Bridge Office Park
Lynnwood Manor
Pretoria, 0081

Banker's information
Name: Nedbank Ltd

Official performing the functions of Board Secretary
Name: Vacant
Designation: Manager - Governance and Secretariat Services

2. LIST OF ABBREVIATIONS/ACRONYMS

ACRONYM	DESCRIPTION
4IR	Fourth Industrial Revolution
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AMCU	Association of Mineworkers and Construction Union
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASAWU	Academic Staff Association of Wits University
ASB	Accounting Standards Board
ASC	Accreditation and Subsidy Committee
BBBEE	Broad-Based Black Economic Empowerment
BC	Bargaining Council
BCEA	Basic Conditions of Employment Act
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BUSA	Business Unity South Africa
CCMA	Commission for Conciliation, Mediation and Arbitration
CEPPWAWU	Chemical, Energy, Paper, Printing, Wood and Allied Workers Union
CFO	Chief Financial Officer
CGE	Commission for Gender Equality
CIO	Chief Information Officer
CMU	Compliance Management Unit
CSD	Central Supplier Database
CSR	Corporate Social Responsibility
DEL	Department of Employment and Labour
DHET	Department of Higher Education and Training
DR	Dispute Resolution
DPSA	Department of Public Service and Administration
DP&WO	Dispute Prevention and Workplace Outreach

DTIC	Department of Trade, Industry and Competition
EEA	Employment Equity Act
ERM	Enterprise Risk Management
ERCMC	Executive Risk and Compliance Management Committee
ESC	Essential Services Committee
ESU	Employment Security Unit
FAWU	Food and Allied Workers Union
GB	Governing Body
GIWUSA	General Industries Workers Union of South Africa
GRAP	Generally Recognised Accounting Practice
GSEC	Governance, Social and Ethics Committee
GSS	Governance and Secretariat Service
HOSPERSA	Health and Other Services Personnel Trade Union of South Africa
HRC	Human Resources Committee
IASB	International Accounting Standard Board
IDC	Industrial Development Corporation
ICT	Information and Communication Technology
ILO	International Labour Organisation
IMATU	Independent Municipal and Allied Trade Union
LRA	Labour Relations Act (Act No.. 66 of 1995)
NT	National Treasury
MOU	Memorandum of Understanding
MTSF	Medium-Term Strategic Framework
MSAs	Minimum Service Agreements
MSDs	Minimum Service Determinations
NASA	National Association of South African
NBPSS	National Bargaining Council for Private Security Sector
NCPD	National Council of and for Persons with Disabilities
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEHAWU	National Education, Health and Allied Workers Union
NICD	National Institute for Communicable Diseases
NSFAS	National Student Financial Aid Scheme

NUFBWSAW	National Union of Food Beverages Wine Spirits and Allied Workers
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NYDA	National Youth Development Agency
MTEF	Medium Term Expenditure Framework
OHS	Occupational Health and Safety
PC	Procurement Committee
PFMA	Public Finance Management Act
PPE	Personal Protective Equipment
PPPFA	Preferential Procurement Policy Framework Act
PSA	Public Servants Association of South Africa
PSCs	Provincial Senior Commissioners
PTCs	Part-Time Commissioners
PHSDSBC	Public Health and Social Development Sectoral Bargaining Council
RETUSA	Revolutionary Transport Union of South Africa
RSCs	Regional Senior Commissioners
SAC	Single Adjudication Committee
SACCAWU	South African Commercial, Catering and Allied Workers Union
SACWU	South African Chemical Workers Union
SAEWU	South African Equity Workers Union
SAHRC	South African Human Rights Commission
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SCM	Supply Chain Management
SBD	Standard Bidding Documents
SETA	Sector Education and Training Authority
SOP	Standard Operating Procedures
SSSBC	Safety and Security Sectoral Bargaining Council
TDU	Training Development Unit
TLS	Training Lay-off Scheme
TERS	Temporary Employer/Employee Relief Scheme
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund

3. FOREWORD BY THE CHAIRPERSON

3.1 INTRODUCTION

It is with great honour and privilege to present the Commission for Conciliation, Mediation and Arbitration's (CCMA's) Annual Report for the 2020/21 financial year, in line with the requirements of Section 55(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (the PFMA). The new CCMA Governing Body was appointed with effect from 01 December 2020. We extend our gratitude to the previous Governing Body, which has contributed immensely to the successful implementation of the 2020/21 Annual Performance Plan (APP).

The 2020/21 financial year marks the first year of the implementation of the CCMA's 2020/21- 2024/25 five (5) year Imvuselelo- The Revival Strategy. The 2020/21 financial year was a challenging year, with full strategy implementation inhibited by the emergence of the COVID–19 pandemic and accompanying regulations. Furthermore, government fiscal challenges resulted in budget reductions of all government entities and the CCMA. Despite the challenges that were presented, the CCMA continued to strive to make a meaningful contribution towards labour peace and equity, as per the strategic intent of the strategy.

3.2 HIGH LEVEL OVERVIEW OF THE STRATEGY AND PERFORMANCE

The strategy is grounded on three (3) pillars, namely: optimise the organisation, enhance labour market stability and support strategy implementation and good governance. The strategy was implemented through five (5) programmes, with a total of 32 performance indicator targets, as documented in the amended 2020/21 APP. Of the 32 targets, 27 were achieved, translating into a total of 84% performance. The total number of referrals as at the end of the 2020/21 financial year recorded at 154 143, a decline when compared to the 221 547 of the 2019/20 financial year. On average, the CCMA took 23 days to deal with conciliation cases. This is commendable considering the challenging operating environment presented about by financial challenges and COVID-19.

The CCMA provides guidance and support in collective bargaining matters by undertaking strategic and operational activities that are reactive, proactive and innovative. This is geared towards adapting to the changing needs of the labour market to improve collective bargaining and promoting orderly and healthy labour relations. In keeping abreast of the labour market developments and exploring innovative initiatives to support the labour market, the CCMA conducted three (3) pre-collective bargaining conferences for strategically identified Users. This process seeks to assist parties to prepare for the collective bargaining process before negotiations commence. To assist Users, a total of eight (8) collective bargaining support processes were conducted. These support processes include, pre, during and post wage facilitations, balloting and verification exercises and the facilitation of any outstanding issues arising from wage negotiations that if left unattended may give rise to new disputes.

Despite the difficult socio–economic challenges confronting the country, the CCMA's job saving efforts saw 58 165 jobs saved, of those likely to be retrenched 138 816, with actual retrenchments recorded at 74 747. These figures translate into 42% of jobs saved as per cases referred to the CCMA, against the 2020/21 APP target of 20%. Not only was the set target exceeded in this regard, but of significance, is the CCMA's contribution towards the Medium-Term Strategic Framework (MTSF) of government, in particular, economic transformation and job creation.

The role of the CCMA in job-saving was further re-affirmed by the Presidential Job Summit Framework Agreement that resulted in the reconstitution of Training Lay-Off Scheme (TLS) in October 2018, now known as the Temporary Employee/Employer Relief Scheme (TERS). This special intervention and support were enhanced by the CCMA overseeing the administration of the TERS. Owing to the reconstitution of the TERS and expedited turnaround times for consideration of applications the CCMA witnessed a hike in workplace based TERS applications before Section 189A processes were considered. During the reporting period, the CCMA received a total of 121 TERS applications. A total of 3 531 employees benefited from the TERS at a cost of R166.1 million. It is anticipated that this will alleviate worker distress that may potentially result in retrenchments and business distress that ease the recipient companies' financial challenges.

Essential services are a growing area in South African Employment Law. Having compared with other essential services discipline globally, it has became evident that there is a challenge when it comes to compliance with essential service legislation. As part of its statutory obligations, the Essential Services Committee (ESC) is obliged to monitor and evaluate essential service designations, minimum service agreements and minimum service determinations. The purpose of the monitoring and evaluation exercise is to ensure that the parties understand that they operate in essential services and that the services in question cannot be interrupted as such interruption might result in endangerment to life, personal safety or health. During the 2020/21 financial year, the ESC conducted monitoring and evaluation exercises in the following sectors: public health, education, old age homes and the local government, amongst others.

3.3 STRATEGIC RELATIONSHIPS

The CCMA thrives when engaging with stakeholders and strategic partners as it results in enhanced participation and collaboration, improved buy-in on organisational projects, better and relevant strategy and policy formulation and increased innovation. As part of leveraging on strategic partnerships by initiating service delivery supporting projects, the CCMA continued to maintain existing strategic partnerships with like-minded institutions whilst pursuing new ones, where applicable. These partnerships are governed by Memorandum of Understanding (MOU).

The CCMA maintained the following strategic partnerships: International Labour Organisation (ILO), Unemployment Insurance Fund (UIF), Productivity South Africa (Productivity SA), Agri SA, Public Protector SA (PPSA), the Human Sciences Research Council (HSRC), the Council for Scientific and Industrial Research (CSIR), the Legal Resources Centre (LRC), the South African Human Rights Commission (SAHRC), and the Institute for Justice and Reconciliation (IJR), amongst others. The following new strategic partnerships were pursued: South African Local Government Association (SALGA) and the Commission for Gender Equality (CGE), amongst others.

3.4 CHALLENGES FACED BY THE BOARD

The Governing Body is the Accounting Authority of the CCMA with the primary responsibility of governing the CCMA. The Governing Body and its Committees continued to provide effective oversight over the affairs of the CCMA, with regular meetings convened over the 2020/21 financial year. As a custodian of corporate governance, the Governing Body set the ethical tone and emphasised the need to embed a culture of good governance in the CCMA to avert possible governance failures by the organisation.

During the first year of the implementation of the five (5) year Strategy, the CCMA was confronted with numerous challenges. These challenges amongst others were austerity measures. The budget constraints meant that the budget allocation of the CCMA no longer corresponded with the operational needs of the CCMA.

The budget cuts necessitated the Executive Management to develop novel approaches to do more with less. The COVID–19 also compelled the CCMA to refocus and re-align its resources to ensure that statutory services are provided whilst ensuring the Occupational Health and Safety (OHS) of the CCMA employees and Users.

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

Central to the work that was delivered in the year under review were the extensive planning processes aimed at re - positioning the CCMA appropriately to respond effectively to the CCMA's legislated and discretionary mandate, the new policy imperatives of government, as well as the needs of the labour market. Labour peace and equity is even more important more so now during the turbulent socio–economic conditions.

The CCMA will continue to optimise to ensure that cases are conciliated within 30 days of date of referral, that arbitration awards are rendered within 14 days of the conclusion of the arbitration proceedings, that collective bargaining activities are supported, and that job saving is facilitated. The CCMA will continue to pursue opportunities presented by technological advancements to modernise the institution.

As the COVID–19 pandemic continues to challenge South Africa and the world at large during the 2021/22 financial year, the CCMA will continue to advocate all social partners to continue to observe and abide with all employment laws, calling for humanity and relationship building during this difficult time. The COVID–19 calls for all social partners to remain in processes and find resolutions together. The CCMA also appeals to all workers across all essential services industries to refrain from any unprotected industrial action during the period of the lockdown.

3.6 ACKNOWLEDGEMENTS AND APPRECIATION

In all the achievements reported in the 2020/21 Annual Report, my appreciation is extended to the Portfolio Committee on Employment and Labour, the Executive Authority, the Minister of Employment and Labour, the Department of Employment and Labour (DEL), the National Treasury, all DEL sister entities, as well as all strategic partners, stakeholders and Users of the CCMA, for the continuous support in delivering the mandate of the CCMA during the 2020/21 financial year.

Gratitude goes to the CCMA Governing Body and its Committees (current and outgone) for their time and dedication towards the CCMA agenda.

I wish to congratulate the Director Mr Cameron Sello Morajane, and his dedicated Executive Management Team, for the success of the 2020/21 financial year, despite the trying times. My sincerest appreciation goes to all Commissioners and CCMA employees for their endless commitment to serving the people of South Africa.

I wish the whole CCMA family well as it commemorates the 25th anniversary of the CCMA on 11 November 2021, a momentous occasion indeed. The 2021/22 financial year will continue to be a challenging year, as the global economy attempts to recover from the negative impact of the COVID-19. It is imperative that all social partners and stakeholders in the labour market continue to work together to revive the South African labour market.

ENOS NGUTSHANE
CHAIRPERSON OF THE GOVERNING BODY

4. CCMA's GOVERNING BODY

ENOS NGUTSHANE
CHAIRPERSON

CAMERON SELLO MORAJANE
DIRECTOR (ex-officio)

ORGANISED BUSINESS REPRESENTATIVES

KAIZER MOYANE

SIFISO LUKHELE

SIOBHAN LEYDEN

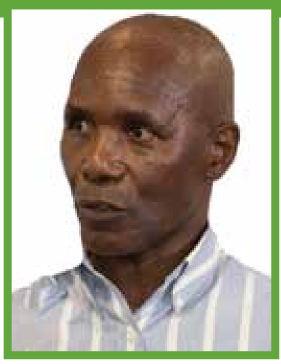
ORGANISED LABOUR REPRESENTATIVES

BHEKI NTSHALINTSHALI

NARIUS MOLOTO

RIEFDAH AJAM

GOVERNMENT REPRESENTATIVES



THEMBINKOSI MKHALIPI

TSHEPO MAHLAELA

CONNY MAMETJA

FIGURE 1: CCMA's GOVERNING BODY

5. CCMA DIRECTOR'S OVERVIEW

5.1 GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The CCMA receives funding from the fiscus through grant transfers from DEL. During the 2020/21 financial year, the entity experienced a budget reduction after the President declared a national state of disaster in South Africa in terms of the Disaster Management, 2002 (Act No.57 of 2002), and in response to the COVID-19 pandemic. The impact on the baseline reprioritisation of the CCMA, was a reduction of R90.2 million from the initial grant allocation of R1.025 billion for the 2020/21 financial year. The decrease of 9.6% on the government grant over the previous year brought the total of the grant allocation to R935.8 million in the 2020/21 financial year. This reduction continued to weaken an already strained financial system and impacted the organisation's ability to deliver on its core mandate.

The interest received from investment income amounted to R5.7 million. An income of R12.5 million was earned from services rendered and other income. During the mid-term budget cycle, R39 thousand cash surplus was approved by National Treasury and was utilised to adjust the budget.

Despite the budget constraint challenges faced by the CCMA during the 2020/21 financial year, the CCMA maintained its going concern status through sound financial management, accounting systems and practices. The organisation continues to be in a financially healthy position with a cash and cash equivalents balance of R69.4 million, which is equivalent to a 0.9:1 cash cover ratio and a liquidity ratio of 1:1. The total net asset value was R34.0 million as at 31 March 2021.

5.2 SPENDING TRENDS OF THE PUBLIC ENTITY

The total expenditure of the CCMA decreased by 9.8% compared to the previous financial year. Several factors have contributed to this decrease in expenditure. The budget reduction during the financial year had a significant impact on core mandate of the CCMA, which saw the reduced utilisation of Part-Time Commissioners. Furthermore, the case disbursement decreased by 8.7% in expenditure, from R414 million (2020) to R381 million (2021). Compensation of employees increased by 7.5% from the previous year, as a result from annual salary increases. Goods and services reduced by 20%, the main contributing factor is due to cost re-prioritisation which was implemented in response to the COVID–19 pandemic.

5.3 CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The financial constraints of the CCMA negatively impacted the effective execution of the strategy, caseload management and sourcing of core talent resulting in a high vacancy rate for the CCMA. Taking into consideration the demand for CCMA services and products by the labour market, it was important for the CCMA to consider how it will respond to these demands within a limited budget, compelling the CCMA to review its operating model and re-prioritise spending.

Over and above the financial constraints which proved no longer sufficient to meet competing operational and strategic needs, the CCMA was challenged to continue service delivery during the COVID–19 pandemic, balancing the constitutional right of social justice against the constitutional right of health and safety of the employees, Users and stakeholders.

5.4 DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

The CCMA revised its 2020/21 APP during the financial year, due to the challenges mentioned earlier, re-directing all efforts to core dispute resolution activities and minimising discretionary activities. During the process, the following output indicators were discontinued:

- Percentage of TERS applications processed (Programme 3);
- Percentage of Section 143 in applications issued (Programme 4);
- Percentage of the Governance Plan implemented to achieve a level 3.00 governance maturity (Programme 5); and
- Number of service delivery enabling projects in collaboration with relevant strategic partner(s) identified and implemented (Programme 5).

5.5 NEW OR PROPOSED KEY ACTIVITIES

The CCMA did not introduce any new key activities during the 2020/21 financial year.

5.6 REQUESTS FOR ROLLOVER OF FUNDS

At the end of the 2020/21 financial year, the CCMA did not have any rollover funds to request from National Treasury. The CCMA has an amount of R69.4 million cash and cash equivalent to fund the short-term liabilities as recorded on 31 March 2021. A cash deficit of R4.4 million was reported at the end of the financial year. In overcoming the deficit report, the CCMA has already embarked in cost containment and other cost re-prioritisation measures to absorb it.

5.7 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) of the CCMA is centralised at the National Office and provides strategic support to the organisation in the acquisition of goods, works and services. The SCM has developed systems and procedures to ensure that the procurement processes are aligned with the requirements of Section 217 of the Constitution. Furthermore, the SCM function is governed by the provisions of the PFMA, the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (the PPPFA) and Treasury Regulations. The systems and procedures focus on managing the inter-dependent activities of demand, acquisition, and contract administration.

The approved 2020/21 Procurement Plan was partially executed due to financial constraints and non-responsive bids. Projects that could not be fully executed have been rolled over to the 2021/22 Procurement Plan. Quarterly procurement progress reports were submitted to the National Treasury for the tender e-portal update as required by legislation.

5.8 UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW

The CCMA did not receive unsolicited bids during the 2020/21 financial year.

5.9 SCM PROCESSES AND SYSTEMS

Supply Chain Management has approved standard operating procedures (SOP) and policies used in day-to-day operations to ensure compliance with applicable regulations and legislations.

5.10 CHALLENGES ENCOUNTERED AND HOW THEY WERE ADDRESSED

South Africa entered alert Level 5 COVID-19 lockdown in April/May 2020. As a law abiding and responsible institution, the CCMA could not open its premises and resume full–scale operations without a clear directive to do so, and could not compromise the health, safety and well–being of its employees, Users and stakeholders.

The CCMA was conscious of the fact that the lockdown has had an impact on the economy, placing many workers and businesses in distress. The gradual return of declared industries and sectors meant that some labour activity will resume. By implication, this meant that some referrals to the CCMA for a variety of matters were imminent.

However, the CCMA continued to observe the general principle that physical contact amongst persons be eliminated or restricted. This meant that CCMA services continued to be offered at a minimal scale. All matters referred and scheduled (and re–scheduled) before and during the lockdown were prioritised. Pre-conciliations continued by means of telephone. Conciliations also went ahead, conducted telephonically, as permitted agreed to by parties, the CCMA and Commissioner. Some discretionary functions, large scale dismissals processes (Section 189A of the LRA), inquiry by Arbitrator processes (Section 188A of the LRA), and identified matters of interest, were approved to be set down in venues outside the CCMA offices, subject to strict health and safety conditions agreed in writing between parties, the CCMA and the Commissioner.

The CCMA was subsequently re–opened when lockdown restrictions further eased. Although the lockdown restrictions eased, infections within the CCMA increased. Guided by the National Institute of Communicable Diseases (NICD), the National Department of Health and the Department of Public Service and Administration (DPSA), and taking queue of tactics employed by the courts, to contain the spread of the COVID-19 and to ensure safety of CCMA employees and Users, certain measures were implemented by the CCMA, as from 01 August 2020. These include, suspension of walk-ins and all points of face-to-face interaction and minimising discretionary functions, such as training and conferences. Consideration of actions taken by the High Court, Labour Court and the Labour Appeal Court were also considered. Alternative means of non-contact referrals, such as email or fax as contained in Rule 7 of the CCMA Rules, were encouraged.

The COVID-19 challenges presented the CCMA with the opportunity to review its service delivery model, including digitalisation of referral forms, conducting web–based hearings, conducting hearings at employers/union offices and state–owned offices, as well as the establishment and dispatching of rapid response teams and specialist panels, amongst others.

As already mentioned, due to the financial constraints encountered, the utilisation of Part-Time Commissioners was minimised, resulting in capacity issues. The impact of this capacity issue was that it now took the CCMA longer to deal with referrals and finalise arbitrations.

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

The CCMA has prioritised the embedding of good corporate governance and ensuring that good internal controls are developed and implemented. In this instance, all matters identified by both Internal Audit and the Auditor–General of South Africa (AGSA) from previous financial years are continuously being addressed.

Internal Audit Department raised 66 audit findings during the period under review. Corrective action plans identified by Management to correct deficiencies reported were monitored throughout the year. The implementation of corrective action plans created an environment that has efficient and effective controls. Further to that, the external audit process confirmed that out of 12 external audit findings raised during the period of 2019/20 financial year, 11 findings were satisfactorily resolved.

5.12 OUTLOOK PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

During the budget preparation process of the 2021/22 financial year, the in-year reduction of the CCMA budget by 9% may result in the CCMA being unable to meet its competing demands.

5.13 EVENTS AFTER THE REPORTING DATE

The term of the Audit and Risk Committee (ARC) ended on 31 March 2021. The new ARC was appointed with effect from 01 April 2021.

5.14 ECONOMIC VIABILITY

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

5.15 ACKNOWLEDGMENT AND APPRECIATION

All the achievements of the CCMA are attributable to dedication, long hours and selfless services of the Executive Management, Senior Management, Staff and Commissioners. Thank you for your service even during the trying times of COVID–19.

I would also like to thank the Portfolio Committee on Employment and Labour, the Executive Authority, the Accounting Authority, DEL sister entities and all stakeholders and strategic partners for their leadership and support.

A special word of appreciation is dedicated to the Users of the CCMA in the continued belief in the CCMA to deliver on its mandate. The CCMA will continue to make a difference in the lives of those it serves in 2021/22 and beyond.

CAMERON SELLO MORAJANE
DIRECTOR




6. CCMA's EXECUTIVE MANAGEMENT

CAMERON SELLO MORAJANE
DIRECTOR

MARIUS KOTZE
NATIONAL SENIOR COMMISSIONER (NSC): DISPUTE RESOLUTION

MTHEMBENI NCANANA
EXECUTIVE: SHARED SERVICES (ACTING)

KEDIBONE MASHAAKGOMO
CHIEF FINANCIAL OFFICER

ANNAH MOKGADINYANE
EXECUTIVE: GOVERNANCE AND STRATEGY

ZANELE HLOPHE
CHIEF AUDIT EXECUTIVE

FIGURE 2: CCMA's EXECUTIVE MANAGEMENT

7. CCMA's PROVINCIAL SENIOR COMMISSIONERS


XOLANI NDUNA
MPUMALANGA


MPUMELELO NCONCO
GAUTENG


ELIAS HLONGWANE
NORTH WEST


CARLTON JOHNSON
WESTERN CAPE


BONGUMUSA KHUMALO
KWAZULU-NATAL


LUCKY MOLOI
FREE STATE*


MORWA-MAPALE SETLAGO
LIMPOPO


KAGISO NTHITE
EASTERN CAPE
(ACTING)

FIGURE 3: CCMA's PROVINCIAL SENIOR COMMISSIONERS

*The Northern Cape is merged into the Free State Province.

8. STATEMENT OF RESPONSIBILITY

The Governing Body is required by the PFMA, to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements (AFS) and related financial information included in this report. The AFS are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. It is the responsibility of the Governing Body to ensure that the AFS fairly present the state of affairs of the CCMA as at the end of the financial year and the results of its operations and cash flows for the period ended. The external auditors are engaged to express an independent opinion on the AFS and are given unrestricted access to all financial records and related data.

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

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

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

The Governing Body has reviewed the CCMA's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The AFS set out on page 122 – 179, which have been prepared on the going concern basis, were approved by the Governing Body on 29 July 2021.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the CCMA for the financial year ended 31 March 2021.

Yours faithfully

MR. ENOS NGUTSHANE
CHAIRPERSON

MR CAMERON SELLO MORAJANE
DIRECTOR

9. STRATEGIC OVERVIEW

9.1. VISION

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

9.2. MISSION

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

9.3. VALUES

The core values and operating principle of the CCMA are as follows:

TABLE 1: VALUES OF THE CCMA

VALUES	OPERATING PRINCIPLES
Respect	In the execution of our duties, to act with respect for all, valuing those whom we serve and those whom we work with.
Excellence	We continuously do our best in delivering on our mandate and in service to our people, executing our duties with a sense of urgency, professionalism and world-class quality.
Accountability	We hold ourselves responsible for our actions and the outcomes of our work. In being accountable, we are committed to each other and all we do, and take responsibility for our actions and our performance.
Diversity	By embracing diversity and inclusivity, we learn from each other daily, while sharing and celebrating who we are and what we do. We embrace inclusivity and celebrate the differences of our people.
Integrity	We act impartially without fear, favour or prejudice, objectively balancing the diverse needs of social partners, being honest and ethical in all we do, doing the right thing, even when no one is looking.
Transparency	We work in a manner that is open, fair and transparent Guided by our statutory obligations and commitment, we are open in our dealings with everyone we serve.

10. LEGISLATIVE AND OTHER MANDATES

The CCMA's legislative mandate is derived principally from Section 23 of the Constitution of the Republic of South Africa (1996) and the Labour Relations Act, 1995 (Act no. 66 of 1995) [as amended] (LRA). The CCMA's mandate is derived from the purpose of the LRA, which is to advance economic development, social justice, labour peace and the democratisation of the workplace.

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

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

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

- Supervise ballots for unions and employer organisations;
- Provide training on any aspect of employment law;
- Advise a party to a dispute about the procedures to follow;
- Offer to resolve a dispute that has not been referred to the CCMA;
- Make rules on practice and procedure; and
- Publish guidelines on any aspect of the LRA.

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

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

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

11. ORGANISATIONAL STRUCTURE

The CCMA is a statutory body established in terms of Section 112 of the LRA. The CCMA is a national public entity in terms of Schedule 3A of the PFMA. The CCMA has eight (8) Provincial Offices which report to the NSC: Dispute Resolution. The CCMA's macro-structure was revised to purpose fit for successful strategy implementation.

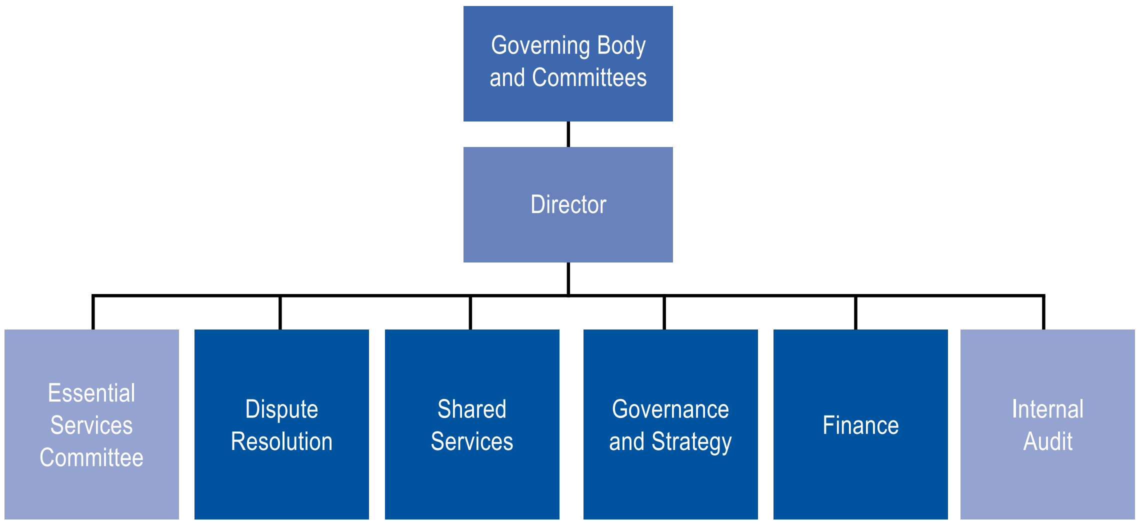


FIGURE 4: CCMA's ORGANISATIONAL STRUCTURE

PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report. Refer to page 116 of the Report of the AGSA published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. SERVICE DELIVERY ENVIRONMENT

2.1.1. PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION

The focus is on the development of human and organisational capacity towards building a world-class institution. This requires a series of strategic human resources interventions aimed at attracting, developing and retaining talent. By its very nature, the CCMA is an information-intensive organisation, requiring strong, reliable and integrated Information Management Systems, underpinned by the best range of Information and Communication Technology (ICT) platforms, leveraging opportunities presented by the Fourth Industrial Revolution (4IR) to sustain a high performance institution.

During the 2020/21 financial year, the focus was to ensure the development and execution of the ICT strategy that is in line with the CCMA's strategy, the core focus being the execution of digital transformation initiatives in light of the COVID–19 pandemic.

The role of the ICT is to provide full ICT platforms to ensure that the CCMA's needs are met to deliver on its mandate. The need to ensure the alignment of ICT to business requirements and relevant legislation cannot be emphasised. The overarching layer is to ensure the confidentiality, integrity and availability of information to its Users.

The ability of ICT to offer continuity of services remotely during the current COVID-19 crisis was the major highlight in the financial year under review marking remote working the "new normal". Employees were supported to work remotely, management and governance structures meetings were convened virtually, stakeholders were engaged digitally and cases were conducted virtually.

The CCMA implemented 87% of ICT critical systems and have been stable enough to operate without total failures. Stability of the systems were maintained utilising checklists that were completed continuously by dedicated ICT employees so that systems operate optimally. Furthermore, all systems were equipped with redundant components to ensure high availability.

During the 2020/21 financial year, the end-to-end CCMA e-Referral digital platform which is integrated with the Case Management System (CMS) was commissioned on 08 June 2020. The system is public-facing and is designed to provide an alternative to physical walk-ins into CCMA offices by the public intending to submit referrals in part, to respond to the prevailing risks posed by COVID-19 pandemic.

The CCMA has deployed 25% of automation and integration of case disbursement (Dispute Resolution processes).This integration and automisation aims to move towards paperless based processes and enhance and leverage technologies to improve efficiencies and provide quality services at a low cost to the public.

2.1.2. PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTIONS

The purpose of this programme is to transform and build relations and capacity in the workplace, respond appropriately and timeously to labour market developments through focused proactive and reactive labour market interventions for successful dispute prevention and management and workplace transformation whilst promoting and supporting social dialogue, democratisation, best employment practices and relationship building in the workplaces. This is geared towards adapting to the changing needs of the labour market to improve collective bargaining and promoting orderly and healthy labour relations.

The CCMA conducted three (3) pre-collective bargaining conferences for strategically identified Users. Following the successful rollout, interest and encouraging feedback from parties in previous years, this process seeks to assist parties to prepare for the collective bargaining process before negotiations commenced to improve the process of collective bargaining. The benefit of conducting these processes for strategically identified stakeholders resulted in the early resolution of wage disputes without the need for statutory conciliation, thereby minimising the risk of industrial action.

Collective bargaining pre-bargaining conferences processes were extended to and undertaken with stakeholders in the following sectors:

a) Mining and Energy - CEPPWAWU, SACWU, NUMSA, AMCU and SASOL on the 27 May 2020;
b) Food Retail and Distribution - FAWU, AMCU and Tiger Brands on the 22 June 2020; and
c) Food Retail and Distribution - NUFBSAW and RSC Consulting / Adcorp (Pick 'n Pay Distribution Centres) n preparation for wage negotiations on 14 August 2020.

The value of these services to stakeholders in the food, retail and distribution sectors was to ensure minimum disruption to food supply and distribution during the COVID-19 pandemic. The onset of the pandemic also ushered in a change in the way processes are conducted considering safety measures and protocols with the first ever virtual pre-bargaining conference conducted with NUFBSAW and RSC Consulting / Adcorp.

The value of these services was further highlighted by the high number of requests and processes conducted in respect of Collective Bargaining Support Processes (CBSP). A total of eight (8) CBSP were undertaken across various sectors with eight (8) finalised before the end of the financial year. CBSP include, pre-during and post wage facilitations, balloting and verification exercises and the facilitation of any outstanding issues arising from wage negotiations that if left unattended may give rise to new disputes.

To assist stakeholders, the following CBSP's were conducted:

a) Verification exercises and related facilitated processes were conducted with RETUSA / Transnet SOC Ltd; SACCAWU / Ackerman's; NTM & NUMSA / Swissport South Africa; and, NTM / Transnet Engineering;
b) Wage negotiations were facilitated in the Sugar Milling Industry; Grain Industry; Pick 'n Pay distribution centres involving NUFBWSAW, RSC Consulting and Adcorp. The latter is commendable considering that workers embarked on an unlawful strike on the eve of the lockdown, the 27 March 2020;
c) Wage re-negotiation facilitated processes on an existing collective agreement undertaken with NEHAWU, ALTSA, ASAWU, NUMSA and the University of the Witwatersrand that was resolved within their existing collective agreement and parameters set for the next round of negotiations. This provided some measure of stability as the new academic year was about to commence;
d) Facilitated processes were undertaken to assist parties to amend/review their Collective Agreements in the Metal industries that illustrated the parties' commitment to seek solutions early on to any challenges presented by their existing agreements;
e) A collective agreement on organisational rights was facilitated between the National Development Agency and SAEWU, NEHAWU; and
f) Facilitated process conducted with NUFBWSAW and RSC Consulting Services and Adcorp Outsourcing Solutions following an illegal work stoppage at Pick 'n Pay distribution centres on 08 May 2020 in respect of performance incentives and safety concerns soon after the lock-down commenced.

During the 2020/21 financial year, the CCMA identified and engaged with 12 workplaces across the eight (8) Provinces regarded as high referring Users. Transformation of Workplace Relations Projects were conceptualised in response. A total of 130 interventions/ activities were delivered to support the implementation of the project plans thereof. The Provinces and the relevant role players in those workplaces reached agreements on the types and numbers of training and capacity building interventions/activities to be delivered to address the prevalent challenges in their respective workplaces.

A total of 13 vulnerable sector projects were conceptualised and delivered to the following five (5) targeted sectors: Agriculture, Domestic, Retail, Private Security and Mining. A total of 134 interventions/ activities were delivered to support the implementation of the project plans.

In its quest to achieve the intended impact in the South African labour market, the CCMA endeavoured to utilise its limited resources in the most effective and efficient manner to deliver on its mandate of improving workplace relations. It is against this background that User satisfaction ratings of all the beneficiaries who attended the different capacity building and problem solving interventions were continuously assessed.

2.1.3 PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

The CCMA has witnessed a hike in workplace based TERS applications before Section 189A processes are considered. The Single Adjudication Committee (SAC) comprising of the CCMA, Productivity SA, Department of Trade, Industry and Competition (DTIC) and the UIF convened on a weekly basis to consider applications to participate in the TERS.

The CCMA received a total number of 121 TERS applications for the 2020/21 financial year. A total of 33 applications were defective or withdrawn. The TERS SAC considered 88 applications. 33 applications were finalised. 22 applications were recommended, whilst 46 were not recommended. 11 of the finalised applications were awaiting UIF declarations and calculations whilst nine (9) were in process and under consideration by the SAC. As at the end of the financial year, the total number of employees due to benefit from the TERS was recorded 3 531 at a total cost of R166.1 million to the TERS.

A TERS workshop was held between the CCMA and Agri-SA which was attended by representatives from labour and business. The workshop mainly focused on the alternatives available to support businesses facing distress as well as other government interventions aimed towards business turn-around and recovery.

TABLE 2: BREAKDOWN OF TERS APPLICATIONS

TERS APPLICATIONS FOR THE 2020/21 FINANCIAL YEAR	
RECEIVED	121
DEFECTIVE/WITHDRAWN APPLICATIONS	33
CONSIDERED	88
RECOMMENDED	22
IN PROCESS/UNDER COMMITTEE'S CONSIDERATION	9
FINALISED AWAITING UIF DECLARATIONS/CALCULATIONS	11
NOT RECOMMEDED	46
TOTAL NUMBER OF EMPLOYEES DUE TO BENEFITS	3 531
TOTAL COST OF TERS FUNDING	**R166 134 088**

Section 189A of the LRA enables the CCMA to facilitate and assist parties to reach consensus on ways to avoid or minimise retrenchments and mitigate the adverse effects of retrenchment. The Employment Security Unit ("ESU") brings together all the CCMA's activities related to employment security, operational requirements dismissals and the TERS.

The CCMA, where possible, continued to work with institutions such as the Industrial Development Corporation (IDC) to save jobs and support businesses before retrenchments are contemplated. This collaboration assisted companies to apply for funding from the IDC due to financial distress and to avoid business closure which could lead to potential retrenchments. The support from the IDC could be combined with TERS intervention to ensure that employees continue to receive salaries whilst the business focuses on its journey of recovery.

Pre- and post-process monitoring allows the CCMA in association with relevant institutions, to explore opportunities for re-skilling and adapting to the changing nature of work. An online application process to participate on the TERS to ensure quicker processing of applications and turnaround has been developed. Multi-stakeholder engagement and commitment that includes collaboration with relevant ministries, entities and all social partners will be intensified to respond to further challenges that may threaten job security.

The CCMA has developed a job-saving strategy known as the holistic approach to dealing with job losses due to large-scale (Section 189A) retrenchments. This ensures probing avenues at an early stage to mitigate job losses by engaging various partner institutions that includes Productivity SA, the UIF, Department of Trade Industry and Competition (DTIC) and relevant ministries to mitigate the scourge of job losses. The design of the legislation makes the CCMA's approach to these matters reactive that is, we only get involved at the point of referral. However, the CCMA has proactively sought other avenues to assist parties in operational requirement matters.. The hike in applications is indicative of the renewed faith in the scheme but is also a sign of the challenging economic environment which is likely to persist as the labour market will continue to feel the consequences of the pandemic. The strategic partnership between the CCMA and Productivity SA has resulted in applicants for TERS receiving business turn-around support through the Business Turn-Around and Recovery program to ensure viability and sustainability. In addition, the strategic collaboration with the Department of Higher Education and Training (DHET) has also made a difference in the lives of employees participating in the scheme by ensuring that they are upskilled through the SETA's during the period of participation.

In the context of the COVID–19 crisis, the tremendous efforts of CCMA facilitators and stakeholders have contributed to reducing the number of job losses of employees facing retrenchment. Any job lost due to retrenchment is one too many. However, the CCMA's success in this area is largely attributed to the commendable and dedicated efforts of facilitators and parties in processes to explore meaningful alternatives to avoid job losses.

In keeping with the holistic approach, the CCMA has also undertook pre and post Section 189A process monitoring. The former proactively identifies businesses that may experience distress brought about by adverse market conditions, and the latter is a post Section189A process service to monitor whether a business or its employees might be at risk of further distress and identify interventions that may mitigate the risk of additional Section 189A referrals by the company or entity. The CCMA conducted eight (8) post Section 189A monitoring processes to assist companies that have gone through retrenchments to assess whether they may face similar challenges soon. Both scenarios provide options early on to mitigate the risk of retrenchment and an opportunity to monitor progress and viability of businesses. This has allowed the CCMA to proactively provide guidance and support to reduce the possibility of further retrenchments.

As in previous years, the negative effect of the rise in energy costs, infrastructural challenges, commodity price fluctuations, cheap imports and rising operational costs will inevitably be passed on to consumers and businesses. With the contraction in the economy, the impact will be passed onto businesses that may lead to closure and retrenchments. The CCMA has witnessed changes to the nature and future of work brought about by the fourth industrial revolution and the impact of the pandemic that will most certainly affect current and future work prospects and changes to business operational models.

In 2017, Business Unity South Africa ("BUSA") and the CCMA collaborated to launch a free-to-use Small-to-Medium Enterprise (SME) Labour Support Web Tool (Labour Advise Web Tool) - http://smelaboursupport.org.za/ - dedicated to help smaller businesses with labour relations processes and matters. The project emanated from a BUSA study conducted in 2015/16 (EESE Report), which showed that small businesses were in need of guidance in respect of labour relations and that this was a key impediment to their formalisation and willingness to employ. Also, of concern – and a key spark to conceptualising the Web Tool – was that CCMA statistics at the time revealed that an estimated 80% of the institution's cases originate from small businesses. This project was subsequently agreed to by all social partners and recorded in the Presidential Jobs Summit Framework Agreement of the 04 October 2018. The Web Tool was officially launched in January 2019.

During the 2020/21 financial year, the CCMA and BUSA concluded the signing of a two (2) year Terms of Reference (TOR) that serves to guide both parties in the delivery of the implementation of Phase II of the project. The CCMA's Training Development Unit (TDU) and BUSA jointly co-operated in the review of all existing Web Tool material and in ensuring that the uploaded material is updated as prescribed by the applicable legislation.

In addition, new content, with a special focus on supporting SMEs and saving jobs, was uploaded onto the Web Tool. One (1) such document is a CCMA information sheet on the TERS which serves to alert the public of the advantages of the TERS as a possible alternative to retrenchment. The rest of new content uploaded provides information on services offered by Productivity SA, with special emphasis placed on the Competitiveness Enhancement Project.

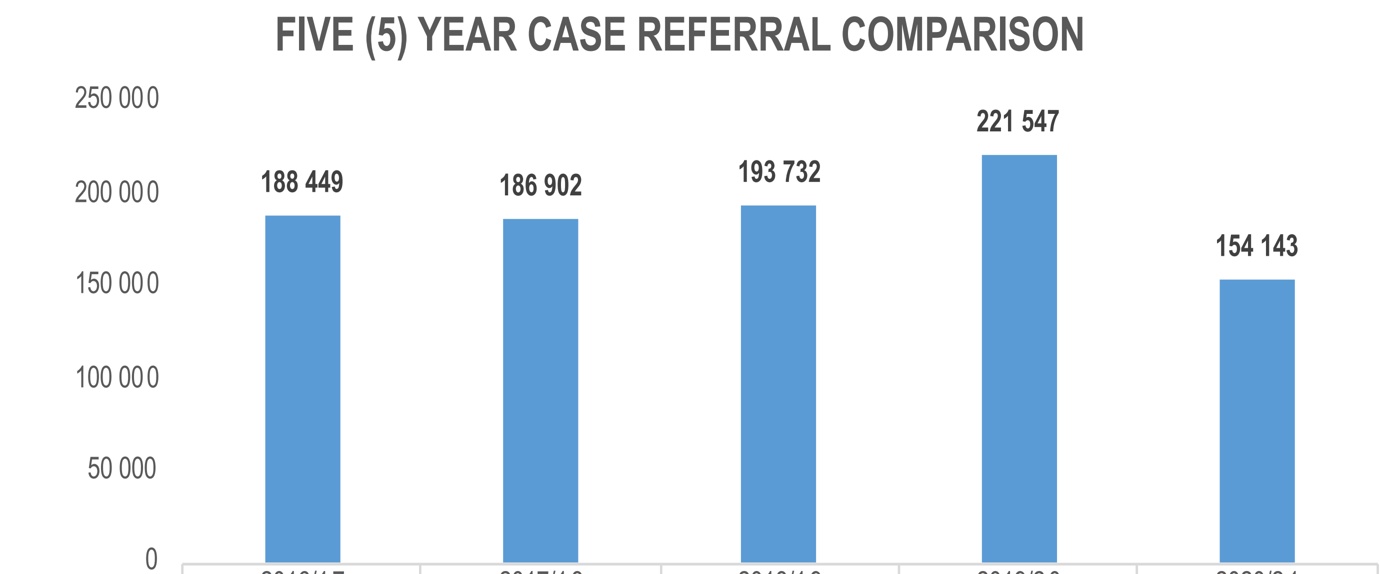
At the end of January 2021, an information poster was developed and published on the CCMA's various social media platforms and on the website. The impact of this was positive, with new Users of the Web Tool increasing from 70 in January 2021 to 911 in February and 924 in March 2021. Further marketing of the Web Tool will take place during the 2021/22 financial year.

The CCMA and BUSA are exploring ways to fund some of the outstanding Web Tool deliverables as identified in the Presidential Job Summit Framework Agreement of 2018. These deliverables include:
a) Investigating further enhancements on early (dispute) detection;
b) Investigating the building in of pre-conciliation;
c) Marketing of the Web Tool; and
d) Embedding the Web Tool into the Call Centre – as and when the CCMA Call Centre may be re-established in the future.

2.1.4 PROGRAMME FOUR (4): EFFECTIVE AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES

The total number of referrals as at the end of the 2020/21 financial year was recorded at 154 143, 67 404 less than the 2019/20 financial year. This represents a decrease of 30% in the number of referrals received compared to the same period of the previous financial year.

The total number NMWA and BCEA referrals (excluding severance pay) were at 24 215 at the end of 2020/21 financial year, which represents a decline of 11 552 when compared to the 2019/20 financial year. The overall marked decline in the number of referrals must be seen in the context of COVID-19 and hard lockdown when walk-ins were suspended.



	2016/17	2017/18	2018/19	2019/20	2020/21
Case Referral	188 449	186 902	193 732	221 547	154 143

FIGURE 5: FIVE (5) YEAR CASE REFERRAL COMPARISON

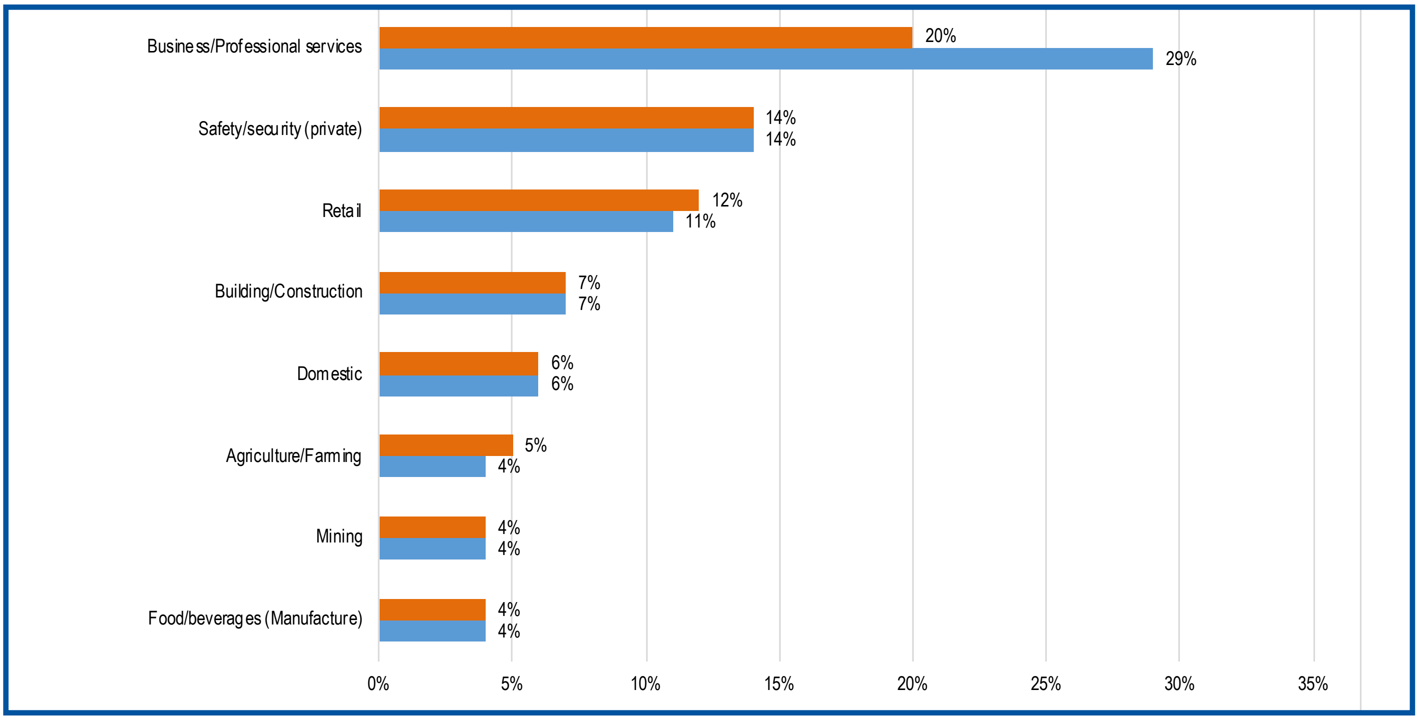


FIGURE 6: BREAKDOWN OF THE TOP EIGHT (8) REFERRING SECTORS AT THE END OF THE 2020/21 AND 2019/20 FINANCIAL YEARS

The CCMA-assisted referrals, which considers administrative assistance in serving the referrals on behalf of the applicant Users, accounted for 28% of the total referrals received, a decrease of 12% when compared to the same period in 2019/20. The overall decrease in walk-in referrals which accounted for most of the CCMA-assisted referrals could be a contributing factor in the decline.

A total of 31 973 pre-conciliations were conducted in the financial year 2020/21, compared to 36 418 pre-conciliations at the end of the financial year 2019/20. The pre-conciliation settlement rate dropped by 34% from the financial year 2019/20. Pre-conciliations remain one (1) of the most efficient ways to manage the caseload and to reduce costs per case, especially considering the financial challenges that are faced by the institution.

The number of con-arbs heard in a single event dropped by 53% at the end of the financial year 2020/21 compared to the financial year 2019/20. Arbitration awards rendered at the arbitration stage of the con-arb process were at 3 831 but of concern remains the high number of default awards which accounts for 73% (2 782) of the total arbitration awards rendered which shows a slight decrease of 3% as for the same period in 2019/20. The concern with this high number of default arbitration awards is the number of rescission applications subsequently received and granted which contribute to process reworks. The overall settlement rate was at 70% in the 2020/21 financial year, a decrease of 4% compared to 74% achieved during the 2019/20 financial year.

Total events heard were at 184 921 at the end of the 2020/21 financial year compared to 269 765 events in the 2019/20 financial year. Events heard by Full-Time Commissioners increased to 43% compared to 28% in the financial year 2019/20. The increase recorded above can be attributed to the suspension of allocation of work to Part-Time Commissioners between December 2020 and 31 March 2021 and 26 March 2020 and 17 May 2020. The drop in the total number of events heard should also be seen considering the above factors as it is clear from the numbers that Part-Time Commissioners hear the bulk of cases in the organisation.

As at the end of the fourth quarter of the 2020/21 financial year, 91 296 (99.4%) conciliable cases were heard at first event, with four (4) conciliations heard outside 30 days. In 2019/20 financial year, 48 conciliations were heard outside 30 days without the necessary agreements to extend.

The total number of conciliations heard in the financial year 2020/21 was 105 465 compared to 179 253 conciliations heard in 2019/20. Non-attendance at conciliation was at 13%. In the same period last financial year, the total number of conciliations heard was at 179 253 and non-attendance stood at 16%. The number of certificates issued without conciliation because the 30-day period had expired was at 10 052 in the financial year 2020/21 compared to 1 674 certificates issued in 2019/20. The above is to be expected considering the challenging operating environment provinces were faced with throughout 2020/21 especially in the last four months where allocation of work to Part - Time Commissioners was suspended.

The turnaround time of arbitrations increased from a national average of 69 days in the financial year 2019/20 to a national average of 77 days in the financial year 2020/21. Contributing factors are well documented and had led to the revision of this efficiency amongst others to 120 days. Provinces will, however, continue being under pressure from parties considering that our Users are used to quicker turnaround times.

A total of 14 128 arbitration awards were rendered in 2020/21 which is a drop of 9 510 arbitration awards from 2019/20 financial year 23 638 arbitration awards were rendered. There was an improvement in the number of arbitration awards sent late to parties as these were nine (9) at the end of the financial year 2020/21 compared to 53 in the financial year 2019/20. The improvement in this area can be attributed amongst other things, to the monitoring by the Dispute Resolution National Office, daily monitoring and updating performed by PSC's, Regional Senior Commissioners (RSCs) and Senior Commissioners (SCs) via email. All these efforts ensured that no arbitration awards are submitted late by Commissioners and sent late to parties.

During the 2020/21 financial year, a total of 124 278 Users have accessed the CCMA services from the identified sectors against a target of 43 618. These Users accessed CCMA services from identified sectors as follows: Agriculture (13 037), Domestic (19 218), Private Security (43 458), Retail (36 958) and Mining (11 607) sectors. These Users have gained access to these services through either the Dispute Resolution and/or Dispute Prevention and Workplace Outreach services.

The table below provides a breakdown of the number of Users who accessed CCMA services from identified sectors.

TABLE 3: BREAKDOWN OF THE NUMBER OF USERS WHO ACCESSED CCMA SERVICES FROM IDENTIFIED SECTORS

IDENTIFIED SECTORS	QUARTER ONE	QUARTER TWO	QUARTER THREE	QUARTER FOUR	TOTAL
Agriculture	708	5 831	3 543	2 955	13 037
Domestic	1 375	8 488	4 507	4 848	19 218
Private Security	3 568	19 963	9 743	10 184	43 458
Retail	2 350	16 226	8 967	9 415	36 958
Mining	882	4 361	3 491	2 873	11 607
Total	**8 883**	**54 869**	**30 251**	**30 275**	**124 278**

As part of our initiatives to ensure increased and effective access to the CCMA services in vulnerable areas and amongst vulnerable groups, an Advocacy Campaign Plan was developed and implemented through the eight (8) Provincial offices. A total of 296 awareness raising and outreach activities were delivered in support of this campaign. These activities were delivered through User, Sector and Stakeholder Forums meetings, radio talk-shows and the distribution of information sheets and promotional materials across the country.

During the 2020/21 financial year, the CCMA received an extraordinary number of both small-scale (Section189) and large-scale (Section189A) retrenchment referrals. The substantial increase in retrenchment activity is largely attributed to the adverse consequences of COVID-19 and challenging global and local economic conditions. It appears that as companies weighed up the costs of resuming operations and associated operational and labour costs the likelihood of retrenchment and possible business closure increased.

The CCMA's dedicated focus to job-saving has consistently yielded commendable job-saving successes. However, the scourge of job losses due to retrenchment persists year on year with the 2020/21 placing an incredible task on the CCMA to reduce the number of job losses. Despite the hike in large-scale retrenchment referrals, the concerted efforts by CCMA facilitators and stakeholders in large-scale retrenchment processes has once again resulted in the CCMA exceeding its job-saving target. S189A processes facilitated by the CCMA resulted in 42% of jobs saved 58 165 against the 2020/21 APP target of 20%, of those employees likely to be retrenched (138 816). Actual retrenchments were recorded at (74 747). The highest number of job losses were recorded in the Mining sector (15 293), followed by the Retail (8 156) and Metal (6 330) sectors. National office has recorded the highest number of retrenchment activity, which is indicative of companies undertaking these processes across their operations countrywide. Unfortunately, the CCMA recorded the largest actual number of job losses due to retrenchment than previous years due to the spike in retrenchment matters.

The CCMA sustained its job-saving efforts by ensuring that partnerships with other institutions such as Productivity SA have been maintained. Ongoing support has been offered to businesses in distress and options explored to avoid job losses and survival mechanisms extended to retrenched employees. The CCMA also contributed by sharing reports and data to provide an overview of retrenchment activity to the Presidential Task Team Working Committee that convened at NEDLAC and the DEL as illustrated in the tables below.

TABLE 4: NATIONAL JOB SAVING FOR THE 2020/21 FINANCIAL YEAR

	ANNUAL	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Employess likely to be retrenched	138 816	988	3 561	4 792	13 431	13 899	17 031	9 208	6 168	2 021	24 436	17 105	26 176
Job saved	58 165	187	1 418	916	5 145	6 134	6 634	5 532	3 098	1 135	12 296	7 892	7 778
Total retrenchments	74 747	768	2 088	3 857	7 832	7 406	10 291	3 526	2 951	847	9 972	7 758	17 451
%	42%	19%	40%	19%	38%	44%	39%	60%	50%	56%	50%	46%	30%

The below table indicates the selected high-profile Section189A matters as can be gleaned the spate of job losses across all sectors

TABLE 5: SELECTED HIGH-PROFILE SECTION189A MATTERS

SECTOR	PARTIES	EMPLOYEES LIKELY TO BE RETRENCHED
Retail	Edcon Ltd and SACCAWU obo Members	17 292
Hotel	Sun International and SACCAWU obo Members	8 919
Business-Transport (Private)-Motor-Retail	Barloworld and TASWU-PTAWU-SATAWU-MTWU-SCMAWU-CEPPAWU-MISA-NTM-NUMSA-TOWU-NASA-AMCU-Solidarity obo Members and Non-Unionised Employees	7 288
Aviation	BidAir Services (Pty) Ltd	3 395
Telecommunications	Telkom and CWU-SACU-SOLUDARITY-NUMSA obo Members	3 000
Aviation	SAA Soc Ltd and NUMSA-SACCA-SAAPA-NTM-SOLIDARITY-AUSA-SATAWU obo Members and Non-Unionised employees	2 268
Retail	Mass Discounters t/a Game & Dion and SACCAWU obo Members	1 800
Parastatal – Airline	South African Airways SOC Ltd and NUMSA, SACCA, SAAPA NTM, AUSA, SATAWU & Solidarity obo Members	4 661
Banking	African Bank and SASBO obo Members	1 269
Business/Professional Service	McCarthy (Pty) Ltd and SATAWU, NTM & MTWU obo Members	1 200
Telecommunications	Cell C Ltd and ICTU obo Members	965
Media	SABC SOC Ltd	600

The below table indicates jobs saved by sector referrals received for the 2020/21 financial year.

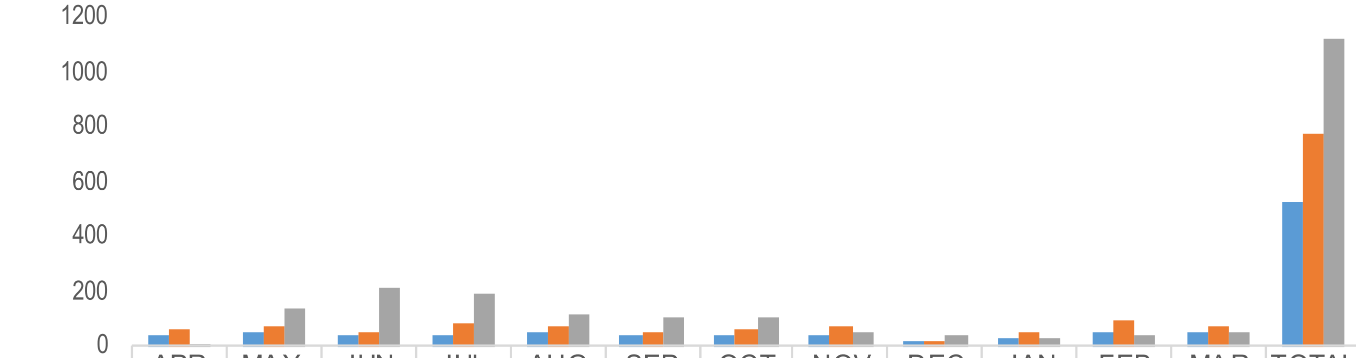
TABLE 6: JOBS SAVED BY SECTORAL REFERRALS RECEIVED FOR THE 2020/21 FINANCIAL YEAR

JOBS SAVED BY SECTOR							
Sector	**Employees likely to be Retrenched**	**Forced Retrenchment**	**Voluntary Retrenchment**	**Total Retrenchments**	**Other**	**Jobs Saved (#)**	**Jobs Saved (%)**
Agriculture/Farming	3 202	799	183	982	6	2 214	69%
Aviation	6 326	3 627	587	4 214	58	2 054	32%
Banking/Finance	5 081	466	975	1 441	51	3 859	71%
Building/Construction	5 875	2 444	588	3 032	94	2 749	47%
Business/Professional services	4 599	3 106	223	3 329	45	1 225	27%
Chemical	1 515	535	330	865	56	594	39%
Civil Engineering	1 430	602	251	853	17	560	39%
Cleaning/Laundry	90	40	0	40	0	50	56%
Clothing/Textile (manufacture)	1 848	1 242	267	1 509	27	310	17%
Communications	26	26	0	26	0	0	0%
Contract Cleaning	472	53	0	53	1	418	89%
Distribution/ Warehousing	785	443	132	575	13	197	25%
Education	1 413	170	100	270	15	1 128	80%
Electrical	381	184	95	279	18	84	22%
Entertainment/Leisure	3 128	362	534	896	12	2 221	71%
Fishing	45	45	0	45	0	0	0%
Food/Beverage (manufacture)	5 673	2 612	1 073	3 685	109	1 879	33%
Furniture (manufacture)	599	35	45	80	0	519	87%
Health	423	208	19	227	0	196	46%
Hotel	6 172	3 528	1 234	4 762	12	1 398	23%
Import/Export	80	46	15	61	0	19	24%
Information/Technology	161	60	16	76	1	84	52%
Leather	214	187	0	187	4	23	11%
Leather	214	187	0	187	4	23	11%
Legal/Paralegal	20	11	3	14	0	6	30%

JOBS SAVED BY SECTOR (CONTINUED)							
Sector	Employees likely to be Retrenched	Forced Retrenchment	Voluntary Retrenchment	Total Retrenchments	Other	Jobs Saved (#)	Jobs Saved (%)
Manufacturing	6 249	2 045	2 416	4 461	163	1 625	26%
Marketing/Public Relations	237	157	48	205	0	32	14%
Media (private)	281	147	36	183	25	73	26%
Metal	11 000	3 566	2 764	6 330	551	4 119	37%
Mining	26 160	11 319	3 974	15 293	1 625	9 242	35%
Motor	4 615	2 539	487	3 026	281	1 308	28%
Parastatal	100	0	0	0	6	94	94%
Paper/printing/ packaging	1 372	581	384	965	24	383	28%
Pharmaceutical	96	37	21	58	0	38	40%
Political Party	90	39	51	90	0	0	0%
Public Environmental Affairs	61	20	0	20	0	41	67%
Religious/Community Service	135	39	36	75	2	58	43%
Research	269	0	34	34	46	189	70%
Restaurant	194	89	61	150	5	39	20%
Retail	20 574	3 883	4 273	8 156	995	11 423	56%
Retirement Village	35	0	0	0	11	24	69%
Road Freight	832	376	97	473	40	319	38%
Rubber/Tyre Manufacture	489	299	123	422	23	44	9%
Safety/ Security(private)	1 430	723	224	947	31	452	32%
Telecommunications	2 714	767	465	1 232	1 407	75	3%
Transport(private)	11 514	3 977	701	4 678	108	6 728	58%
Waste Recycling	169	142	0	132	0	27	16%
Wholesale	98	46	17	63	0	35	36%
Wood/Paper	543	201	42	243	20	280	52%
TOTAL	**138 816**	**51 823**	**22 924**	**74 747**	**5 904**	**58 165**	**42%**

The CCMA recorded its highest number in large-scale retrenchment (Section189A) referrals (1 124) in the 2020/21 financial year compared to any financial year. By comparison to the financial year (729), this represented an increase of 54% in large-scale retrenchment referrals. This is indicative of the challenging economic environment that persist. The sharp increase in Section189A referrals remains a cause for concern. However, on a slighter positive note, large scale retrenchment activity subsided in the last quarter of the financial year.

The below figure indicates Section189A (large-scale) referrals over the last three (3) financial years.

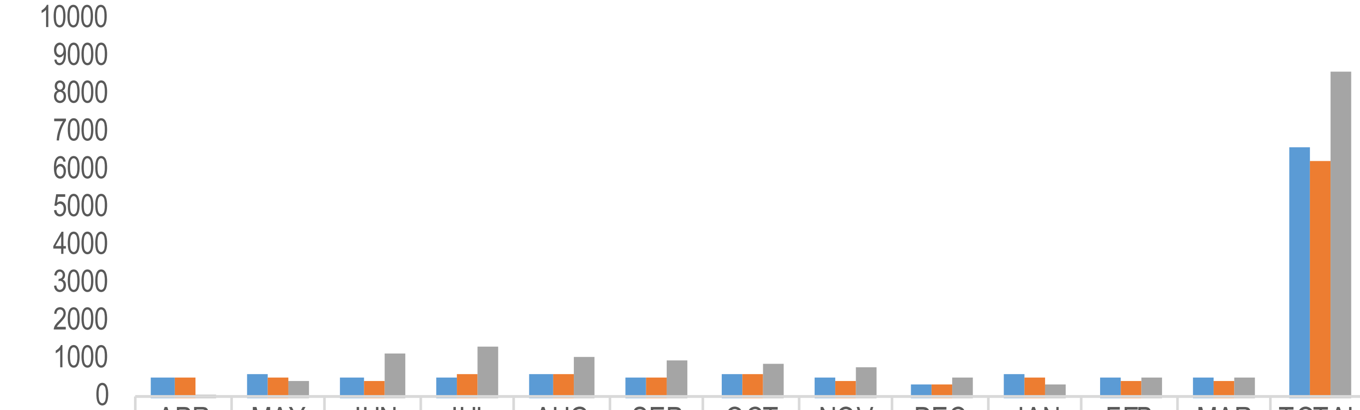


	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2018/19	40	57	40	39	57	45	41	42	22	33	58	55	529
2019/20	60	75	50	89	70	49	67	70	25	51	96	77	779
2020/21	11	136	213	197	120	106	109	52	41	36	46	57	1124

FIGURE 7: SECTION 189A (LARGE-SCALE) REFERRALS OVER THE LAST THREE (3) FINANCIAL YEARS

During the 2020/21 financial year, small-scale retrenchment activity mirrored the trend in large scale retrenchments. The number of small-scale retrenchment (Section189) referrals (8645) increased by 37.9% compared to the same period last year (6267). The sharp hike in these matters is concerning as the CCMA's potential to save jobs in small-scale retrenchment processes is hindered as the CCMA only gets involved once the retrenchment has occurred. The trend is also indicative of the tough economic times experienced by small businesses. Unfortunately, employees in small-scale retrenchment matters seldom have access to survival mechanisms and the opportunities to participate in TERS.

The below figure indicates Section 189 (small-scale) referrals over the last three (3) financial years.



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2018/19	511	580	572	573	588	546	607	566	392	592	556	517	6600
2019/20	573	575	472	600	582	501	612	488	395	558	484	427	6267
2020/21	97	418	1173	1356	1035	965	875	790	526	386	512	512	8645

FIGURE 8: SECTION 189 (SMALL-SCALE) REFERRALS OVER THE LAST THREE (3) FINANCIAL YEARS

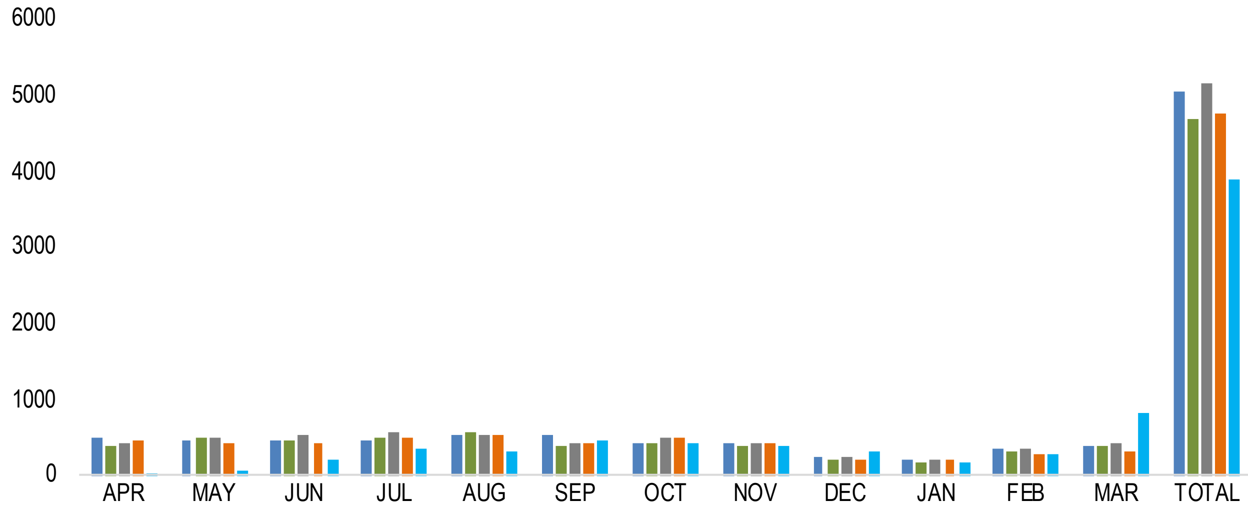
The strategic emphasis on job-saving is further supplemented by the efforts to prioritise employment retention in settled conciliated matters. The CCMA had set itself a target of achieving 6% return to work outcomes in settled cases. This target has been exceeded with 10% of these re-instatement or re-employment outcomes recorded for the financial year. Options for dismissed employees are explored early on in conciliation processes to ensure that workers remain in employment than opt for short-term compensation outcomes.

On average, the CCMA dealt with between 4 000 to 5 000 collective bargaining disputes nationally per annum. The 2020/21 financial year bucked the trend, with fewer wage-related disputes referred, probably attributed to the COVID-19 pandemic and lockdown. However, the CCMA witnessed a deferred bargaining season with an increase of these disputes towards the end of the second quarter as the lockdown regulations were eased and businesses could fully resume operations.

The CCMA has a commendable track record with previously close to two-thirds of these being settled and over 80% of selected public interest matters settled through S150 offers of assistance. However, the settlement rate in wage-related disputes has dropped over the past three (3) financial years thereby increasing the risk of industrial action. Regrettably, several public interest disputes progress unnecessarily into protracted periods of industrial action, despite numerous CCMA process interventions. In many instances though these matters are resolved on terms and conditions facilitated by the CCMA Commissioners early on but only acceded to two (2) to three (3) weeks after these have been negotiated. This, unfortunately, comes at a tremendous cost to workers, companies, and economic growth. Considering this, the CCMA's approach to collective bargaining is still effective and relevant considering the changing nature of the labour market and ensuring that parties remain in process.

Considering the dynamic nature of the labour market environment, the CCMA set itself a strategic target to resolve 52% of mutual interest disputes, that is potentially strike related matters. The CCMA dealt with 3 431 mutual interest disputes compared to 4 756 mutual interest disputes in the previous year. Despite the slight decrease in the number of potentially strike related matters referred, the work of the CCMA in this area has a direct bearing on labour market stability, economic growth and recovery owing to the nature and volatility of these disputes. The CCMA managed to resolve 53% of these matters.

The below figure indicates the Mutual Interest Disputes over the past five (5) years.



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
2016/17	494	481	466	464	540	528	441	424	251	215	338	397	5 039
2017/18	386	495	466	485	562	392	413	383	221	174	318	408	4 703
2018/19	416	511	534	567	525	437	483	432	251	227	367	410	5 160
2019/20	454	431	445	516	521	433	503	427	209	216	285	316	4 756
2020/21	22	66	197	349	335	457	444	408	325	184	267	834	3 888

FIGURE 9: MUTUAL INTEREST DISPUTE OVER THE PAST FIVE (5) YEARS

The CCMA's ongoing support, and guidance to the labour market through active monitoring of unresolved mutual interest disputes ensured that appropriate offers of assistance in terms of Section150 of the LRA were made in high profile public interest matters. Consequently, the target to resolve 60% of these matters was remarkably exceeded with the settlement rate in Public Interest matters recorded at 93%. A total of 121 public interest matters were dealt with during the 2020/21 financial year compared to 144 in the previous year.

The CCMA attended to various high profile wage disputes: Selected highlights are mentioned below:

a) Health Services: NEHAWU and National Health Laboratory Services wage dispute on the 03 July 2020 in respect of performance incentives;
b) Mining Industry – Diamond - Wages and Conditions of Employment dispute resolved on with NUM and De Beers Consolidated Mines;
c) Sugar Milling - Wage dispute conciliated with FAWU, UASA & AMCU and Sugar Milling and Refining Employers Association and settled;
d) Transport – Gautrain: Section150 (Public Interest) intervention in the NUMSA and Gautrain Wages and Conditions of Employment dispute resolved;
e) Food and Beverage: Section150 (Public Interest) intervention in the GIWUSA and Clover SA (Pty) Ltd Wages and Conditions of Employment dispute resolved; and
f) Private Health: CCMA conciliated the Wage negotiations between HOSPERSA and Netcare Hospitals with parties' consent to private arbitration to mitigate the risk of industrial action as the health sector is under strain as the country grappled with the impact of the pandemic.

With the hike in Section189A matters because of businesses going into distress or facing closures because of the COVID-19 pandemic, the CCMA was expected to continue supporting the labour market during this challenging time by facilitating consultations of large-scale retrenchments. The change in the manner of conducting collective bargaining matters due to COVID-19 and the subsequent lockdown necessitated a Think Tank for Commissioners under the theme "The state of the labour market COVID-19 and beyond". The workshop was intended for selected Commissioners nationally who primarily deal with collective bargaining matters. The purpose was to provoke discussions amongst delegates on the lessons learnt from the pandemic, what needed to be addressed by the nation and possibly coming up with suggested solutions to assist facilitators and mediators working in the broader economy. In addition, the workshop focused on the application of online processes, challenges experienced by facilitators when conducting S189A and mutual interest disputes.

The role and the contribution of the CCMA in the labour market cannot be considered in isolation of the role played by Bargaining Councils. The CCMA through its Councils and Agencies Unit oversees managing and supporting the accreditation processes of Bargaining Councils and Private Agencies by ensuring proper monitoring and evaluation of their dispute resolution performance, subsidy payment management and to ensure effective stakeholder relations are maintained. In addition to this, the CCMA also provides support and monitors collective bargaining across the various industries. In this regard for the financial year, the CCMA facilitated industry wage negotiations in the Sugar Milling and Refinery and Grain industries. A process to facilitate issues relating to the collective agreement in the Metal Industries was also undertaken.

There are currently 35 accredited Councils and four (4) Private Agencies. Over the past financial year, concerted efforts to work closely and support Bargaining Councils has led to the following:

a) A process for appointment of new panelists to address capacity challenges faced by Councils;
b) A mentorship programme for new panelists appointed at Councils;
c) The roll-out of the Case Management system to additional Councils;
d) Regular visits and engagements with Bargaining Councils; and
e) Additional support processes to assist the Private Security and Fast Food, Restaurant, Catering and Allied Trade Bargaining Councils to set up their infrastructure in order get their dispute resolution function underway as they prepare their applications for accreditation.

The CCMA hosted a Bargaining Councils Labour Dialogue Workshop on the 17 September 2020 with all Bargaining Councils. The workshop convened on an annual basis is intended to address accreditation matters, strengthening and maintaining stakeholder relationships, identifying and addressing challenges faced by Bargaining Council in terms of accreditation, operations and collective bargaining. The ongoing support and monitoring ensure that Bargaining Councils and Agencies can perform their functions. The consequence of Bargaining Councils being unable to perform their functions will place a tremendous operational burden on the CCMAs dispute resolution capacity and service delivery. The value of hosting this workshop ensures that councils can share experiences and adopt a consistent approach to dispute resolution across the labour market.

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

The continuous scanning of the organisation's internal and external operating environment through research and forecasting, is core to successful strategy implementation and service delivery. To sustain the catalytic environment for successful strategy implementation and governance, within the changing organisational environment, the CCMA will also focus on initiatives that deploy risk and governance failure mitigation strategies through the development and implementation of an integrated governance, compliance and risk framework. Good governance ensures organisational integrity, operational excellence and enables the maintenance of partnerships and impactful implementation of the strategy.

During the 2020/21 financial year, the CCMA implemented 128% of the 2020/21 Risk Management Plan, with 69 activities being conducted. The CCMA's risk profile registered at a 60%. The Risk Profile methodology was updated to consider the COVID-19 and its impact on the strategic risk environment.

The CCMA maintained an optimum compliance maturity level by implementing 110% of the Compliance Management Plan. The CCMA's 2020/21 Compliance Regulatory Universe had 48 pieces of legislation that identified what the CCMA must comply with, with the application of the Risk Management Model statistically identifying the top 20 high risk statutes. High-risk statutes were identified, monitored, and evaluated more regularly to minimise reputational damage, litigation, fines and penalties, and loss of an unqualified audit. Stringent testing was conducted on the identified high-risk statutes through Compliance Risk Management Plans (CRMPs), with conformance testing conducted on compliance with policy and procedures.

The CCMA has produced a Strategic Forecasting and Situational Analysis Report, following the continuous scanning of the operating environment. The purpose of this report is to provide business intelligence and guide the development of the 2021/22 APP.

2.1.5. ESSENTIAL SERVICES COMMITTEE (ESC)

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

Following the ESC conference held in 2019 wherein the International Labour Organisation (ILO) made suggestions on how to improve compliance with essential services legislation and prescripts, the ESC in the year under review engaged with the following stakeholders to discuss ways in which the ESC can execute its functions through legislative changes:

a) ILO;
b) DEL;
c) National Bargaining Council for Private Security (NBPSS);
d) NEDLAC; and
e) Parliament Portfolio Committee.

The ESC has made suggestions on what can be considered to improve the compliance with essential service prescripts. It is up to the legislature to decide on which reforms are to be considered to improve compliance.

During the 2020/21 financial year, the ESC has received great cooperation from local government, old age homes and private health institutions in facilitating the conclusion of MSAs. It must be noted that there is a great appreciation of the need for minimums to be maintained in essential services and as a result the ESC received a higher number of MSAs for ratification. The ESC has over-achieved in this target by engaging an additional 28 institutions to assist the parties in concluding their MSAs. Furthermore, the ESC

has ratified 20 MSAs and has finalised 14 Minimum Service Determinations (MSDs).
Section 70B(1)(b) of the LRA provides that one of the powers and functions of the ESC is to promote effective dispute resolution in essential services. In 2019, there were four strikes in the public sector which were primarily caused by the employer's failure to comply with its own collective agreements. When the ESC conducted the monitoring and evaluation exercise of the above mentioned strike it discovered that the parties do not have an enforcement mechanism of their collective agreements, that is,there are no processes that provide for enforcement of collective agreements as envisaged in Section 33 A of the LRA 66,1995. Since the Bargaining Council's dispute resolution processes are accredited by the CCMA as provided for by Section 127 of the LRA, the ESC approached the CCMA as the accreditation of Bargaining Council dispute resolution systems are accredited by the CCMA. The outcome of the engagements was that, going forward, in accrediting Bargaining Council dispute resolution systems the CCMA would ensure that there is a dispute resolution mechanism for the enforcement of collective agreements. The ESC engaged the following institutions to promote dispute resolution in essential services:

a) National Association of South African (NASA) Workers and Waste Group;
b) Independent Municipal and Allied Trade Union (IMATU);
c) Ndlambe Local Municipality;
d) South African Local Government Bargaining Council (SALGBC): Nationally;
e) Public Health and Social Development Sectoral Bargaining Council (PHSDSBC);
f) Safety and Security Sectoral Bargaining Council (SSSBC);
g) Department of Health: Eastern Cape;
h) South African Society for Labour Law (SASLAW);
i) South African Local Government Bargaining Council (SALGBC): Kwa-Zulu Natal;
j) South African Local Government Bargaining Council (SALGBC): Western Cape;
k) National Education Health and Allied Workers' Union (NEHAWU);
l) Public Servants Association of South Africa (PSA); and
m) Buffalo City Municipality.

As part of its statutory obligations, the ESC is obliged to monitor and evaluate essential service designations, MSA's and MSD's. The purpose of the monitoring and evaluation exercise is to ensure that the parties understand that they operate in essential services and that the services in question cannot be interrupted as such interruption might result in endangerment to life, personal safety or health of the whole or part of the population. During this financial year the ESC, conducted monitoring and evaluation exercises in the public health sector, education sector, old age home sector and the local government sector.

To increase awareness of essential service designations, the ESC engaged with various stakeholders during the year under review. The outcome of the engagements is that there is an increased awareness of essential services designated by the ESC in terms of the LRA. The ESC conducted a total of 16 awareness raising presentations to various stakeholders during the 2020/21 financial year.

2.2. ORGANISATIONAL ENVIRONMENT

Due to financial constraints, the recruitment processes of all vacancies within the organisation were placed on hold. This decision has impacted critical vacancies, skills retention, and succession planning of the organisation. Implementation of capacity building initiatives designed for skills development for support staff was placed on hold. Existing human resources are expected to be stretched even further with high fatigue levels, leading to increased absenteeism and lower productivity.

Discretionary functions such as conferences were cancelled, largely impacting the dissemination of information to the Users and external stakeholders. The opportunities to engage with social partners representatives on matters pertinent to the labour market were also missed. The Information technology enhancements projects were also placed on hold. Some of the projects placed on hold were planned for enhancing services delivery to ensure that the labour market is served expeditiously.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

2.3.1. LABOUR LAWS AMENDMENT ACT NO. 10 OF 2018

As from 1 April 2020, section 1 of the Basic Conditions of Employment Act (BCEA), (Act No.75 of 1997) has been amended as to insert new definitions and substitutes.

Section 1 of the BCEA, (Act No.75 of 1997), was hereby amended as follows— paragraph (a) inserts the definitions of 'adoption order' and 'adoptive parent'; paragraph (b) substitutes the definition of 'employment law'; and paragraph (c) inserts the definition of 'prospective adoptive parent'.

2.3.2. NATIONAL MINIMUM WAGE AMENDMENT ACT (ACT NO.3 OF 2020)

With effect from 07 August 2020 subsection 17(4) has been amended as follows:.

17 Short title and commencement

(1) This Act is called the National Minimum Wage Act, 2018 (Act No.3 of 2020) (the NMWA)
(2) Subject to subsections (3) and (4), the Act comes into operation on a date to be fixed by the President by proclamation in the Gazette.
(3) Schedule 1 comes into effect on a date fixed by the President by proclamation in the Gazette.
(4) Section 4 (8) takes retrospective effect from 01 May 2017.

In a gazette published on 08 February 2021, the Minister of Employment and Labour had confirmed that the National Minimum Wage (NMW) is now R21.69 for each ordinary hour. This change took place effect from 01 March 2021.

Thus, the NMW will change from R20.76 per hour to R21.69 for each ordinary hour that an employee works. This is an increase of approximately 4.9%. All sectors will be subject to the new national minimum wage.
The gazette also provides exceptions for several worker groups, namely: -

a) Farmworkers are entitled to a minimum wage of R21.69 per hour
b) Domestic workers are entitled to a minimum wage of R19.09 per hour
c) Workers employed on an expanded public works programme are entitled to a minimum wage of R11.93 per hour

The NMWA was first proclaimed in 2018, setting a historic precedent in the protection of low-earning (vulnerable) workers in South Africa and provided a platform for reducing inequality and huge disparities in income in the national labour market.

The NMW was first implemented on 01 January 2019 at a level of R20 per hour. On 01 March 2020, the minimum wage base rate was adjusted to R20.76 per hour.

The NMW is the amount payable for the ordinary hours of work and does not include payment of allowances (such as transport, tools, food or accommodation) payments in kind (board or lodging), tips, bonuses and gifts.

Consolidated Directions on Health and Safety Measures in certain Workplace issued by the Minister (Employment and Labour) in terms of Regulation 4(10) of the National Disaster Regulations - Clause 14 of the Direction in as far as it applies to the CCMA.

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Huge strides have been made towards achieving objectives set in the organisation's Strategic Plan in achieving targets set in 2020/21 APP targets.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION

TABLE 7: PERFORMANCE OF PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION

PROGRAMME ONE(1)	PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION
HIGH PERFORMANCE INSTITUTION	The CCMA aims to successfully deliver on its objectives through a cohesive, well-structured organisation, in which people, processes and systems perform optimally. As a publicly accountable entity, focus will continue to be on a clean administration and resources optimisation. Focus is on the development of human and organisational capacity towards building a world-class institution. This requires a series of strategic human resource interventions aimed at attracting, developing and retaining talent. By its very nature, the CCMA is an information-intensive organisation, requiring strong, reliable and integrated Information Management System, underpinned by the best in range ICT platforms, leveraging on opportunities presented by the 4IR to sustain a high performing institution.
INSTITUTIONAL OUTCOMES	• Enhance financial viability for organisational sustainability • Improved employee turn-over rate • Improved ICT service quality

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

During the 2020/21 financial year, the CCMA achieved 195% in the implementation of the Human Resources Management Plan which contributed to an improved employee turnover rate. This contribution intends to preserve institutional memory, retain skilled employees and develop feature leaders who will together facilitate the achievement of the CCMA mandate.

A total of 25% automation and integration of case disbursement was achieved during the period under review. The achievement of this outcome is geared to move away from paperless based processes and to keep up to date with the technological trends and to leverage on the opportunities presented by the 4IR.

TABLE 8: PERFORMANCE OF PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION – ORIGINAL 2020/21 APP

PROGRAMME/SUB-PROGRAMME: HIGH PERFORMANCE INSTITUTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.1. Enhance financial viability for organisational sustainability	1.1.1. Sustainable and well-resourced organisation	1.1.1.1. Percentage of net surplus achieved	New	1%	1.99% (1 905 579 455/955 260 913)	0.99%	The deviation of 0.99% is because of variable operating and administration expenses not spent as anticipated	N/A
		1.1.1.2. Ratio of safety cash margin achieved	New	3:6	0.89:1 (69 367 452/77 643 891)	(2:71)	Non - achievement on this indicator is attributed to the decrease in the available cash for the CCMA. The government grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 pandemic	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
1.1. Improved employee turn-over rate	1.2.1. Improved Human Resource Management	1.2.1.1. Percentage of Human Resources Plan implemented	New	100%	195% (183/94)	95% (89/94)	Over-achievement on this indicator is attributed to additional training interventions that were requested by Departments / Provinces	N/A

PROGRAMME/SUB-PROGRAMME: HIGH PERFORMANCE INSTITUTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.3. Improved ICT service quality	1.3.1. Improved efficiencies	1.3.1.1. Percentage automation and integration of case disbursement (Dispute Resolution Processes) deployed	New	25%	25% (3/12)	0%	N/A	N/A
		1.3.1.2 Percentage of uptime ICT critical systems implemented	New	85%	87% (7 570/8 674)	2%	Over-achievement on this indicator is attributed to the systems that have been stable enough to operate continuously without total failures. Stability of the systems were maintained utilising checklists that were completed continuously by dedicated ICT staff members so that systems operate optimally. Furthermore, all systems were equipped with redundant components to ensure high availability	N/A

TABLE 9: PERFORMANCE OF PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION – AMENDED 2020/21 APP

PROGRAMME/SUB-PROGRAMME: HIGH PERFORMANCE INSTITUTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.1 Enhance financial viability for organisational sustainability	1.1.1. Sustainable and well-resourced organisation	1.1.1.1. Percentage of net surplus achieved	New	1%	1.99% (1 905 579 455/955 260 913)	0.99%	The deviation of 0.99% is because of variable operating and administration expenses not spent as anticipated	N/A
		1.1.1.2. Ratio of safety cash margin achieved	New	1.1:1	0.89:1 (69 367 452/77 643 891)	(0.2:1)	Non - achievement on this indicator is attributed to the decrease in the available cash for the CCMA. The government grant allocation for the 2020/21 financial year was reduced due to the government response to the COVID-19 pandemic	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to the COVID-19 and cost reprioritisation
1.2. Improved employee turn-over rate	1.2.1. Improved Human Resource Management	1.2.1.1. Percentage of Human Resources Plan implemented	New	100%	195% (183/94)	95% (89/94)	Over-achievement on this indicator is attributed to additional training interventions that were requested by Departments / Provinces	N/A

PROGRAMME/SUB-PROGRAMME: HIGH PERFORMANCE INSTITUTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.3. Improved ICT service quality	1.3.1. Improved efficiencies	1.3.1.1. Percentage automation and integration of case disbursement (Dispute Resolution Processes) deployed	New	25%	25% (3/12)	0%	N/A	N/A
		1.3.1.2. Percentage of uptime ICT critical systems implemented	New	85%	87% (7 570/8 674)	2%	Over-achievement on this indicator is attributed to the systems that have been stable enough to operate continuously without total failures. Stability of the systems were maintained utilising checklists that were completed continuously by dedicated ICT staff members so that systems operate optimally. Furthermore, all systems were equipped with redundant components to ensure high availability	N/A

3.1.2. STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Non - achievement on indicator 1.1.1.2 is attributed to the decrease in the available cash for the CCMA. The Government Grant allocation for the 2020/21 financial year was reduced.

3.1.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2020/21 financial year, the following COVID-19 interventions were implemented for the delivery of this programme.

TABLE 10: PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Programme/ Sub-programme:	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention 2020/21 (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate Outcome
Programme 1	Purchasing of the Personal Protective Equipment's (PPEs)	All CCMA Offices (National and Provincial)	967	535 Female 432 Male	7 000	6 484	N/A	N/A

TABLE 11: PROGRAMME ONE (1): HIGH PERFORMANCE INSTITUTION: LINKING PERFORMANCE WITH BUDGETS

	2020/21			2019/20		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME ONE (1)	208 667	200 209	8 458	242 357	514 877	-272 520
Total	208 667	200 209	8 458	242 357	514 877	-272 520

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

TABLE 12: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION

PROGRAMME TWO (2)	PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION
PROGRAMME PURPOSE	Through the implementation of the Dispute Management and Prevention Strategy and Programme to transform and build relations and capacity in the workplace, respond appropriately and timeously to labour market developments through focused proactive and reactive labour market interventions. The result is successful dispute prevention and management and workplace transformation whilst promoting and supporting dialogue, democratisation, best employment practices and relationship building in the workplace.
INSTITUTIONAL OUTCOMES	• Enhance dispute management and prevention • Improved workplace relations • Effective essential services dispute management, prevention and resolution

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

The CCMA continued to make strides in intervening proactively in the labour market in a bid to transform workplaces and build relations. This was done through several dispute management and prevention programmes

TABLE 13: PERFORMANCE OF PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION-ORIGINAL 2020/21 APP

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.1. Enhance dispute management and prevention	2.1.1. Orderly Collective Bargaining Processes	2.1.1.1. Number of Collective Bargaining Support Processes conducted for strategically identified users	6	6	8	2	Over-achievement of this indicator is attributed to the increased demand for CCMA services in this area	N/A
		2.1.1.2. Number of pre-Collective Bargaining Conferences conducted for strategically identified users	3	3	3	0	N/A	N/A
2.2. Improved workplace relations	2.2.1. Engaged workplace	2.2.1.1. Number of targeted workplaces engaged	New	12	12	0	N/A	N/A
		2.2.1.2. Number of vulnerable sector projects delivered to targeted users	12	12	13	1	Over-achievement on this indicator is attributed to the Mpumalanga Province delivering an additional project in the Agricultural sector due to the observed high rate of dismissals in the sector.	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	**Output**	**Output indicator**	**Audited Actual performance 2019/20**	**Planned Target 2020/21**	**Actual Achievement 2020/21**	**Deviation from planned target to Actual Achievement for 2020/21**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
2.2. Improved workplace relations	2.2.1. Engaged workplace	2.2.1.3. Positive rating on participant evaluation outcomes attained	New	60%	0% (0)	-60%	The evidence received for this output indicator is not verifiable, and therefore, an accurate and reliable performance cannot be confirmed	N/A
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.1. Number of interventions conducted to promote effective dispute resolution in essential services	New	15	15	0	N/A	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		2.3.1.2. Number of stakeholders engaged to make inputs on legislative changes	New	4	5	1	Over-performance on this indicator is due to the extra effort by the ESC to make inputs to legislative changes in essential services. This has spurred by the need to improve the ESC's functions through legislative changes	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.3. Number of entities engaged to ensure that are minimums to be maintained during industrial action in essential services	New	126	133	7	Over-performance on this indicator is due to that during the year under review, the ESC engaged additional entities to ensure that there are minimums to be maintained during industrial action in essential services. The outcome of these engagements delivered several Minimum Service Agreements and Determinations	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		2.3.1.4. Number of Essential Services Designations, minimum Services Agreements, Minimum Service Determinations and/or Maintenance Services Determinations monitored for compliance and observance	10	8	11	3	Over-achievement in this target was attributed by the rise in unprotected strikes affecting essential services that occurred in the health sector. Monitoring and evaluation exercises were conducted to establish the reasons for the employees partaking in unprotected strikes, including finding effective dispute resolution mechanisms in the health sector	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.5. Number of awareness sessions on essential services designation conducted	New	12	16	4	Over-achievement on this indicator is due to the need to increase awareness on essential service designations and the need to reduce the number of unprotected strikes occurring in essential services. Furthermore, the ESC extended its awareness sessions to Case Management Officers in CCMA Regional Offices	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

TABLE 14: PERFORMANCE OF PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION-AMENDED 2020/21 APP

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.1. Enhance dispute management and prevention	2.1.1. Orderly Collective Bargaining Processes	2.1.1.1. Number of Collective Bargaining Support Processes conducted for strategically identified users	6	6	8	2	Over-achievement of this indicator is attributed to the increased demand for CCMA services in this area	N/A
		2.1.1.2. Number of pre-Collective Bargaining Conferences conducted for strategically identified users	3	3	3	0	N/A	N/A
2.2. Improved workplace relations	2.2.1. Engaged workplace	2.2.1.1. Number of targeted workplaces engaged to implement transformation of workplace relations project(s)	New	12	12	0	N/A	N/A
		2.2.1.2. Number of vulnerable sector projects delivered to targeted users	12	12	13	1	Over-achievement on this indicator is attributed to the Mpumalanga Province delivering an additional project in the Agricultural sector due to the observed high rate of dismissals in the sector	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.2. Improved workplace relations	2.2.1. Engaged workplace	2.2.1.3. Positive rating on participant evaluation outcomes attained	New	60%	0% (0)	-60%	The evidence received for this output indicator is not verifiable, and therefore, an accurate and reliable performance cannot be confirmed	N/A
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.1. Number of interventions conducted to promote effective dispute resolution in essential services	New	12	15	3	Over-achievement on this target is attributed to an increased effort to promote an all-inclusive dispute resolution system	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		2.3.1.2. Number of stakeholders engaged to make inputs on legislative changes	New	4	5	1	Over-performance on this indicator is due to the extra effort by the ESC to make inputs to legislative changes in essential services. This has spurred by the need to improve the ESC's functions through legislative changes	N/A

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.3. Number of entities engaged to ensure that there are minimums to be maintained during industrial action in essential services	New	106	133	28	Over-performance on this indicator is due to that during the year under review, the ESC engaged an additional 28 entities to ensure that there are minimums to be maintained during industrial action in essential services. The outcome of these engagement delivered several Minimum Service Agreements and Determination	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

PROGRAMME/SUB-PROGRAMME: PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION								
Outcome	**Output**	**Output indicator**	**Audited Actual performance 2019/20**	**Planned Target 2020/21**	**Actual Achievement 2020/21**	**Deviation from planned target to Actual Achievement for 2020/21**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
2.3. Effective essential service dispute management, prevention and resolution	2.3.1. Improved essential service dispute resolution and compliance	2.3.1.4. Number of Essential Services Designations, minimum Services Agreements, Minimum Service Determinations and/or Maintenance Services Determinations monitored for compliance and observance	10	8	11	3	Over-achievement in this target was attributed by the rise in unprotected strikes affecting essential services that occurred in the health sector. Monitoring and evaluation exercises were conducted to establish the reasons for the employees partaking in unprotected strikes, including finding effective dispute resolution mechanisms in the health sector	N/A
		2.3.1.5. Number of awareness sessions on essential services designation conducted	New	14	16	2	Over-achievement on this indicator is due to the need to increase awareness on essential service designations and the need to reduce the number of unprotected strikes occurring in essential services. Furthermore, the ESC extended its awareness sessions to Case Management Officers in CCMA Regional Offices	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

3.2.2. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Under-performance on indicator 2.2.1.3 is attributed by the non-verifiable portfolio evidence for this output indicator, and therefore, an accurate and reliable performance cannot be confirmed.

3.2.3. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2020/21 financial year, there were no COVID-19 pandemic interventions implemented under this programme.

3.2.4. LINKING PERFORMANCE WITH BUDGETS

TABLE 15: PROGRAMME TWO (2): PROACTIVE AND RELEVANT LABOUR MARKET INTERVENTION: LINKING PEFORMANCE WITH BUDGETS

	2020/21			2019/20		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME TWO (2)	12 091	11 782	309	31 123	27 047	4 076
Total	**12 091**	**11 782**	**309**	**31 123**	**27 047**	**4 076**

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

TABLE 16: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT

PROGRAMME THREE (3)	SPECIAL INTERVENTIONS AND SUPPORT
PROGRAMME PURPOSE	To be the mediatory and arbitration organisation of choice and support national interventions. The CCMA interventions through this programme are aimed at promoting dispute resolution through special mediation processes and social dialogue. The CCMA interventions through this programme are also aimed at promoting consensus, community participation, efficient and effective use of financial and human resources in the dispute resolution process.
INSTITUTIONAL OUTCOMES	• Effective support to Presidential projects

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

The CCMA received a total of 121 TERS applications and 3 531 employees are due to participate at the cost of R 166 134 088 to the Fund. It is anticipated that this will alleviate worker distress that may result in retrenchments and business distress that ease the recipient companies' financial challenges.

TABLE 17: PERFORMANCE OF PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT- ORIGINAL 2020/21 APP

PROGRAMME/SUB-PROGRAMME: SPECIAL INTERVENTIONS AND SUPPORT								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.1. Effective support to Presidential projects	3.1.1. Contribution to Presidential priorities	3.1.1.1. Percentage of TERS applications processed	New	100%	N/A	N/A	No performance was recorded for this indicator as it was discontinued	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		3.1.1.2. Phase 2 of the CCMA/BUSA Web Tool implemented	New	100%	100% (15/15)	0%	N/A	N/A

TABLE 18: PERFORMANCE OF PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT- AMENDED 2020/21 APP

PROGRAMME/SUB-PROGRAMME: SPECIAL INTERVENTIONS AND SUPPORT								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.1. Effective support to Presidential projects	3.1.1. Contribution to Presidential priorities	3.1.1.1. Phase 2 of the CCMA/BUSA Web Tool implemented	New	100%	100% (15/15)	0%	N/A	N/A

3.3.3 REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2020/21 financial year, there were no COVID-19 pandemic interventions implemented under this programme.

3.3.4 LINKING PERFORMANCE WITH BUDGETS

TABLE 19: PROGRAMME THREE (3): SPECIAL INTERVENTIONS AND SUPPORT: LINKING PEFORMANCE WITH BUDGETS

	2020/21			2019/20		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME THREE (3)	14 335	14 401	(65)	21 328	16 254	5 074
Total	**14 335**	**14 401**	**(65)**	**21 328**	**16 254**	**5 074**

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

TABLE 20: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES

PROGRAMME FOUR (4)	EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES
PROGRAMME PURPOSE	Advance accessible, efficient and quality resolution and enforcement mechanisms, to sufficiently address the growing inequality in the labour market due to external factors changing the nature of work, a proactive approach to the advancement of social justice is required to adequately maintain social cohesion, contribute to labour peace and human advancement and progress. The CCMA will focus on initiatives that will ensure increased and effective access to the CCMA in vulnerable areas and amongst vulnerable groups through collaboration with strategic partners and increased access points, as well as initiatives that will enhance the efficiency of service delivery, quality of settlements and enforceability of awards.
INSTITUTIONAL OUTCOMES	• Improved service quality • Improved access to CCMA services • Jobs saved • Reduced potential for industrial action

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

The CCMA's job savings efforts saw 58 165 jobs saved of those likely to be retrenched 138 816, with actual retrenchments recorded at 74 747. These figures translate into 42% of jobs saved as per cases referred to the CCMA against a target of 20%. The unfortunate budgetary challenges may negatively affect its potential to maintain this as this will affect capacity and resources to attend to these matters in the 2021/22 financial year.

TABLE 21: PERFORMANCE OF PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES- ORIGINAL 2020/21 APP

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.1. Percentage of conciliable cases heard within 30 days at first event (excludes agreed extensions, where certificates were issued, out of jurisdiction cases/ withdrawn/ settled by parties cases prior to the matter being scheduled, no process cases and cases which are not conciliable or where conciliation is not first process)	98.9%	98%	99.4% (91 296/91 810)	1.4%	Over-achievement on this indicator is attributed to the CCMA striving to ensure that it conciliates all conciliable cases to facilitate expeditious social justice and to minimise bottlenecks at arbitration	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to the COVID-19 pandemic and the lockdown imposed at the beginning of the financial year
		4.1.1.2. Percentage of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed)	98.7%	98%	99.9% (13 236/13 245)	1.9%	Over-achievement on this indicator is attributed to the CCMA's need to fulfil its statutory duty of rendering arbitration awards within 14 days	N/A

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.3. Percentage of disputes of interests resolved	New	58%	52.6% (1628/3097)	-5.4%	The indicator was measured against the revised target in the amended APP which is 52%	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.1.1.4. Percentage of Section 71 of the LRA Act cases conducted (as and when referred)	100%	100%	86% (6/7)	-14% (-1)	Under - achievement is because of the seventh case referred on 23 March 2021 but 20 April 2021, which is twenty days beyond the last day of the reporting period which ended on 31 March 2021	N/A
		4.1.1.5. Percentage of Section 73 of the LRA Act cases conducted (as and when referred)	New	100%	100% (21/21)	0%	N/A	N/A
		4.1.1.6. Percentage of Section 75 of the LRA Act cases conducted (as and when referred)	New	100%	0% (0/0)	-100%	No performance was recorded for this indicator as no referral was received	N/A

PROGRAMME/SUB-PROGRAMME:EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.7. Number of self-initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service	2	2	3	1	Over-performance on this indicator is due to the ESC conducting an additional one (1) case to determine whether the whole or a part of any service is an essential service. This was because of the need for the ESC to review outdated designations to ascertain whether they are still relevant	N/A
	4.1.2. High quality of services rendered	4.1.2.1. Quality of awards index achieved	New	98%	88% (10 636/12 127)	-10%	Under-achievement on this indicator is attributed to the three (3) Gauteng offices with large numbers that struggled throughout the financial year to achieve the target. Engagements have been held with the PSC and RSCs to assist in improving performance in this regard for the 2021/22 financial year	N/A

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.2. Improved access to CCMA services	4.2.1. Improved access and knowledge of CCMA services	4.2.1.1. Number of users who access CCMA services from identified sectors reached	New	70 760	124 278	53 518	Over delivery on this Output Indicator is attributed to the excessive number of Users who accessed the CCMA's dispute resolution and prevention services. Furthermore, this could also be attributed to the COVID-19 national lock down which led to the collapse of several businesses and necessitated job losses in the labour market	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.2.1.2. Percentage of advocacy campaign plan implemented	100%	100%	100% (4/4)	0%	N/A	N/A
4.3 improved compliance with arbitration awards	4.3.1 improved compliance	4.3.1.1. Percentage of Section 143 applications issued	New	2%	0%	-2%	No performance was recorded for this indicator as it was discontinued	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.4. Jobs saved	4.4.1. Averted job losses	4.4.1.1. Percentage of jobs saved compared to employees likely to be retrenched (as per cases referred to the CCMA)	40%	35%	42% (58165/138816)	7%	Over-achievement on this indicator is attributed to the dedicated efforts by the facilitators and parties who had ensured the achievement of a commendable job saving	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.4.1.2. Return to Work index achieved	New	10%	9.7% (3469 /35775)	-0.3%	Under-achievement on this indicator is attributed to a lower target that was set in the revised APP	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
4.5. Reduced potential for industrial action	4.5.1. Reduced labour market volatility	4.5.1.1. Percentage of public interest disputes resolved	60%	58%	93% (112/121)	35%	Over-achievement on this indicator is attributed to the increased demand and reputation of CCMA in the labour market	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

TABLE 22: PERFORMANCE OF PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES- AMENDED 2020/21 APP

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	**Output**	**Output indicator**	**Audited Actual performance 2019/20**	**Planned Target 2020/21**	**Actual Achievement 2020/21**	**Deviation from planned target to Actual Achievement for 2020/21**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.1. Percentage of conciliable cases heard within 30 days at first event (excludes agreed extensions, where certificates were issued, out of jurisdiction cases/ withdrawn/ settled by parties cases prior to the matter being scheduled, no process cases and cases which are not conciliable or where conciliation is not first process)	98.9%	80%	99.4% (91 296/91 810)	19.4%	Over-achievement on this indicator is attributed to the CCMA striving to ensure that it conciliates all conciliable cases to facilitate expeditious social justice and to minimise bottlenecks at arbitration	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.1.1.2. Percentage of arbitration awards rendered sent to parties within 14 days of the conclusion of the arbitration proceedings (excludes extensions granted and heads of arguments filed)	98.7%	98%	99.9% (13 236/13 245)	1.9%	Over-achievement on this indicator is attributed to the CCMA's need to fulfil its statutory duty of rendering arbitration awards within 14 days	N/A

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.3. Percentage of disputes of interests resolved	New	52%	52.6% (1628/3097)	0.6%	Over-achievement on this indicator is attributed to the heavily reliance on CCMA by the labour market in this area of work	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.1.1.4. Percentage of Section 71 of the LRA Act cases conducted (as and when referred)	100%	100%	86% (6/7)	-14% (-1)	Under - achievement is because of the seventh case referred on 23 March 2021 but 20 April 2021, which is twenty days beyond the last day of the reporting period which ended on 31 March 2021	N/A
		4.1.1.5. Percentage of Section 73 of the LRA Act cases conducted (as and when referred)	New	100%	100% (21/21)	0%	N/A	N/A
		4.1.1.6. Percentage of Section 75 of the LRA Act cases conducted (as and when referred)	New	100%	0% (0/0)	-100%	No performance was recorded for this indicator as no referral was received	

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1. Improved service quality	4.1.1. Resolved disputes	4.1.1.7. Number of self-initiated cases conducted in order to determine whether or not the whole or a part of any service is an essential service	2	2	3	1	Over-performance on this indicator is due to the ESC conducting an additional one (1) case to determine whether the whole or a part of any service is an essential service. This was because of the need for the ESC to review outdated designations to ascertain whether they are still relevant	N/A
	4.1.2. High quality of services rendered	4.1.2.1. Quality of awards index achieved	New	98%	88% (10 636/12 127)	-10%	Under-achievement on this indicator is attributed to the three (3) Gauteng offices with large numbers that struggled throughout the financial year to achieve the target. Engagements have been held with the PSC and RSCs to assist in improving performance in this regard for the 2021/22 financial year	N/A

PROGRAMME/SUB-PROGRAMME:EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.2. Improved access to CCMA services	4.2.1. Improved access and knowledge of CCMA services	4.2.1.1. Number of users who access CCMA services from identified sectors reached	New	43 618	124 278	80 660	Over delivery on this Output Indicator is attributed to the excessive number of Users who accessed the CCMA's dispute resolution and prevention services. Furthermore, this could also be attributed to the COVID-19 national lock down which led to the collapse of several businesses and necessitated job losses in the labour market	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
		4.2.1.2. Percentage of advocacy campaign plan implemented	New	100%	100% (4/4)	0%	N/A	N/A
4.3. Jobs saved	4.3.1. Averted job losses	4.3.1.1. Percentage of jobs saved compared to employees likely to be retrenched (as per cases referred to the CCMA)	40%	20%	42% (58165/138816)	22%	Over-achievement on this indicator is attributed to the dedicated efforts by the facilitators and parties who had ensured the achievement of a commendable job saving	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

PROGRAMME/SUB-PROGRAMME: EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.3. Jobs saved	4.3.1. Averted job losses	4.3.1.2. Return to Work index achieved	New	6%	9.7% (3 469 /3 577)	3.7%	Over-achievement on this indicator is attributed to the dedicated drive by the CCMA to promote return to work outcome in settled conciliated cases	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation
4.4. Reduced potential for industrial action	4.4.1. Reduced labour market volatility	4.4.1.1. Percentage of public interest disputes resolved	60%	60%	93% (112/121)	33%	Over-achievement on this indicator is attributed to the increased demand and reputation of CCMA in the labour market	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID 19 and cost reprioritisation

3.4.2 STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Engagements have been held with the PSCs and RSCs to assist in improving performance in this regard for the 2021/22 financial year.

3.4.3 REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2020/21 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.4.4 LINKING PERFORMANCE WITH BUDGETS

TABLE 23: PROGRAMME FOUR (4): EFFICIENT AND QUALITY DISPUTE RESOLUTION AND ENFORCEMENT SERVICES: LINKING PEFORMANCE WITH BUDGETS

	2020/21			2019/20		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME FOUR (4)	685 290	690 774	(5 484)	713 019	453 391	259 628
Total	**685 290**	**690 774**	**(5 484)**	**713 019**	**453 391**	**259 628**

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

TABLE 24: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE

PROGRAMME FIVE (5)	EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE
PROGRAMME PURPOSE	The continuous scanning of the organisation's internal and external operating environment through research and strategic forecasting, is core to successful strategy implementation and service delivery. This will result in the organisation's ability to forecast strategy effectiveness and proactively respond to changes. To sustain the catalytic environment for successful strategy implementation and governance, within the changing organisational environment, the CCMA will also focus on initiatives that deploy risk and governance failure mitigation strategies through development and implementation of an integrated governance, compliance and risk framework. Good governance ensures organisational integrity, operational excellence and enables the maintenance of partnerships and impactful implementation of the strategy.
INSTITUTIONAL OUTCOMES	• Optimised governance level

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

The achievement of this outcome is through adequate compliance, enhanced strategic management, and embedded good governance which minimise governance failures and risk of audit findings, thus preserving the reputation of the organisation. This enabled the CCMA to effectively achieve its mandate in an ethical manner following the value-based approach. During the 2020/21 financial year, the CCMA implemented 110% (44/40) of the Compliance Management Plan to maintain an optimum compliance maturity level of five (5) and 123% (69/56) of its Risk Management Plan, also maintaining an optimum risk maturity level five (5).

TABLE 25: PERFORMANCE OF PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE-ORIGINAL 2020/21 APP

PROGRAMME/SUB-PROGRAMME: EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
5.1. Optimised governance level	5.1.1. Generation of business intelligence	5.1.1.1. Number of strategic forecasting and situational analysis conducted	New	1	1	0	N/A	N/A
	5.1.2. Good governance	5.1.2.1. Percentage of 2020/21 Compliance Management Plan implemented	100%	100%	110% (44/40)	10% (4/40)	Over-achievement on this indicator is attributed to four (4) additional activities that were conducted by request and other ad hoc activities undertaken as a response to the COVID-19 pandemic	N/A
		5.1.2.2. Percentage of the Governance Plan implemented to achieve a level 3.00 governance maturity level	New	100%	0%	-100%	No performance was recorded for this indicator as it was discontinued	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

PROGRAMME/SUB-PROGRAMME: EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
5.1. Optimised governance level	5.1.2. Good governance	5.1.2.3. Percentage of the Risk Management Plan implemented to sustain level 5.00 risk maturity level	New	100%	123% (69/56)	23% (13/56)	Over-achievement on this indicator is attributed to additional articles published on procedure to protect CCMA assets while working from home, as well as additional requests to conduct Project Risk Analysis related to COVID-19 activities that were aimed at ensuring that the CCMA complies with COVID–19 regulations	N/A
	5.1.3	5.1.3.1. Number of service delivery enabling projects in collaboration with relevant strategic partner(s) identified and implemented	New	1	0	-1	No performance was recorded for this indicator as it was discontinued	The Government Grant allocation for the 2020/21 financial year was reduced due to the government response to COVID-19 and cost reprioritisation

TABLE 26: PERFORMANCE OF PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE-AMENDED 2020/21 APP

PROGRAMME/SUB-PROGRAMME: EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE								
Outcome	Output	Output indicator	Audited Actual performance 2019/20	Planned Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement for 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
5.1. Optimised governance level	5.1.1. Generation of business intelligence	5.1.1.1. Number of strategic forecasting and situational analysis conducted	New	1	1	0	N/A	N/A
	5.1.2. Good governance	5.1.2.1. Percentage of 2020/21 Compliance Management Plan implemented	100%	100%	110% (44/40)	10% (4/40)	Over-achievement on this indicator is attributed to four (4) additional activities that were conducted by request and other ad hoc activities undertaken as a response to the COVID-19 pandemic	N/A
		5.1.2.2. Percentage of 2020/21 Risk Management Plan implemented	New	100%	123% (69/56)	23% (13/56)	Over-achievement on this indicator is attributed to additional articles published on procedure to protect CCMA assets while working from home, as well as additional requests to conduct Project Risk Analysis related to COVID-19 activities that were aimed at ensuring that the CCMA complies with COVID–19 regulations	N/

3.5.2 STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No underperformance registered for this programme.

3.5.3 REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the 2020/21 financial year, there were no COVID-19 pandemic interventions implemented for this programme.

3.5.4 LINKING PERFORMANCE WITH BUDGETS

TABLE 27: PROGRAMME FIVE (5): EFFECTIVE STRATEGY MANAGEMENT AND GOVERNANCE: LINKING PEFORMANCE WITH BUDGETS

	2020/21			2019/20		
Programme/ Activity/Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME FIVE (5)	34 747	33 153	1 594	53 243	42 294	10 949
Total	**34 747**	**33 153**	**1 594**	**53 243**	**42 294**	**10 949**

4. REVENUE COLLECTION

The table below depicts the revenue collection of the CCMA during the 2020/21 financia year:

TABLE 28: REVENUE COLLECTION FOR THE CCMA DURING THE 2020/21 FINANCIAL YEAR

	2020/21			2019/20		
Sources of Revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	935 810	935 810	0	976 810	976 810	0
Conscientious Objector funding	2 000	1 339	661	6 285	1 921	4 364
Investment Income	7 586	5 654	1 932	11 224	13 420	(2 196)
Services Rendered	9 735	10 465	(730)	7 102	6 633	469
Other Income	0	1 993	(1 993)	1 755	1 061	694
Total	**955 131**	**955 261**	**130**	**1 003 176**	**999 845**	**3 331**

The main source of revenue for the CCMA is the government grant of R935.8 million (2020: R976.8 million). Other revenue comprises services rendered and interest received on investments. An additional grant transfer of R1.3 million was received from the DEL to assist with conscientious objectors for the 2020/21 financial year.

Interest received on investments collected during the current financial year was lower than the projected income by R1.9 million (25.5%) due to unfavourable interest received on funds invested with the commercial banks. The under collection of revenue from rendering of services was due to reduced demand on discretionary services offered by the CCMA.

5. CAPITAL INVESTMENT

The table below depicts CCMA Capital Investment as at 31 March 2021.

TABLE 29: CCMA CAPITAL INVESTMENT AS AT 31 MARCH 2021

Asset Class	Opening book value	Additions YTD	Disposals YTD	Depreciation	Transfers	Closing Book Value
	(R)	(R)	(R)	(R)	(R)	(R)
IT Equipment	23 112 475	3 248 452	(21 242)	(5 537 646)	(1 802)	20 800 237
Computer Software	16 990 593	14 133 479	(25)	(17 524 286)	-	13 599 761
Furniture & Fixture	5 195 586	4 915 829	(10 769)	(2 446 738)	-	7 653 908
Leasehold Improvements	891 277	251 656	(4 630)	(490 371)	-	647 932
Motor Vehicle	196 150	-	-	(110 307)	-	85 843
Office Equipment	1 055 934	4 678 760	(6 847)	(734 794)	1 803	4 994 856
Leased Motor Vehicle	23 356	2 105 884	(1)	(374 334)	-	1 754 905
Leased Office Equipment	399 390	809 219	(315)	(1 125 175)	(1)	83 118
Total	**47 864 761**	**30 143 279**	**(43 829)**	**(28 343 651)**	**0**	**49 620 560**

6. FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

Table below depicts five (5) year review of financial health.

TABLE 30: FIVE (5) YEAR REVIEW OF FINANCIAL HEALTH

Item	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000
Total revenue	796 899	885 402	986 512	999 845	955 261
Accumulated surplus	55 826	80 198	86 263	29 094	34 037
Interest received	17 664	11 763	14 762	13 420	5 654
Cash and cash equivalent	89 218	141 161	180 289	96 657	69 367
Current ratio	1.31	1.30	1.34	1	1

PART C

GOVERNANCE

1. INTRODUCTION

The Portfolio Committee on Employment and Labour, the Ministry of Employment and Labour as the Executive Authority, as well as the CCMA Governing Body as the Accounting Authority are responsible for exercising oversight over the CCMA to ensure adherence to principles of good governance.

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. The CCMA's Governing Body and Management are committed to a culture of good corporate governance by complying with relevant legislation, policies and best practices of good Corporate Governance.

2. PORTFOLIO COMMITTEE

The CCMA tabled the following documents to the Portfolio Committee on Employment and Labour:

a) 23 October 2020 (to table the 2019/20 Annual Report); and
b) 15 March 2021 (to table the 2021/22 APP and Budget).

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

a) 12 May 2020 (presentation of the 2020/21 Annual Performance Plan and Strategy Plans); and
b) 19 August 2020 (to present the 2020/21 third and fourth quarter performance).

3. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and Section 4.4 of the Framework of Strategic Plans and APPs, issued by the National Treasury, prescribe that the Accounting Authority is to submit Quarterly Performance Reports to the Executive Authority, within 30 days after the end of each quarter, with reference to monitoring delivery against quarterly performance targets.

During the 2020/21 financial year, the CCMA was fully compliant with the above-mentioned statutory reporting requirement. Accordingly, the CCMA's quarterly Integrated Performance and Compliance Reports, which outline the CCMA's performance against the 2020/21 APP, the CCMA's financial performance and position, as well as the state of the CCMA's governance environment, including compliance and risk management, were prepared and approved by the Governing Body and submitted to the Ministry of Employment and Labour as follows: 29 July 2020 (2020/21 first-quarter reporting), 26 October 2020 (2020/21-second quarter reporting), 27 January 2021 (2020/21 third-quarter reporting) and 30 April 2021 (2020/21 fourth-quarter reporting).

4. GOVERNING BODY

The Governing Body is established in terms of Section 116 of the LRA. The Governing Body of the CCMA comprises non-executive independent members appointed by the Minister of Employment and Labour through the NEDLAC for three (3) years.

During the 2020/21 financial year, the three (3) year term of office of the Governing Body appointed on 01 November 2017 ended on 30 November 2020, following an extension by the Minister of Employment and Labour by one (1) month, since the initial term ended on 31 October 2020. The new Governing Body was appointed for a three year(3) term effect from 01 December 2020.

In terms of the PFMA, the Governing Body is the Accounting Authority of the CCMA with the primary responsibility of governing the CCMA. In addition, the Governing Body has established Committees in terms of Section 121 (1) of the LRA to assist it to execute its mandate. The following are the established and functioning Governing Body Committees:

a) **Accreditation and Subsidy Committee (ASC)**: Advises the Governing Body on and exercises oversight on the accreditation and payment of subsidies to Bargaining Councils and Agencies, as provided in Section 127 to 132 of the LRA.
b) **Audit and Risk Committee (ARC)**: Assists the Governing Body by exercising oversight responsibility on the integrity of the CCMA's financial statements, the extent of compliance with legal and policy requirements, the system of internal control and risk management, the adequacy of the Internal Audit function and external auditors, the performance of management in terms of the strategic plans and APP, ICT and any other matters related to its mandate referred to it by the Governing Body.
c) **Governance, Social and Ethics Committee (GSEC)**: Assists the Governing Body in discharging its responsibility of governance, transformation, organisational sustainability, ethics, stakeholder management and good corporate citizenship.
d) **Human Resources Committee (HRC)**: Advises and exercises oversight responsibility for the human resources management function of the CCMA and makes recommendations to the Governing Body on the organisation's Human Resources Strategy and its implementation. The HRC also performs the functions of the Remuneration Committee for the CCMA.
e) **Procurement Committee (PC)**: Considers and approves procurement for goods and services above the R3 million threshold.

The Governing Body and all Committees operated against approved Charters and Work Plans during the reporting period. Furthermore, the approved Corporate Governance Framework, Corporate Governance Maturity Roadmap and Code of Conduct for the Governing Body and its Committees supported the work of the governance structures. In addition, the GSEC attended training to strengthen their oversight role and ability to discharge its duties effectively.

5. GOVERNING BODY AND COMMITTEES

During the 2020/21 financial year, Governing Body meetings were held as follows:

TABLE 31: NUMBER OF 2020/21 GOVERNING BODY MEETINGS CONVENED

Type of meetings	Number of meetings
Ordinary meetings	4
Special meetings	6
Total	**10**

During the 2020/21 financial year, the Governing Membership was as follows:

TABLE 32: GOVERNING BODY MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Makhulu Ledwaba	Chairperson	01 May 2017	31 July 2020	Post-Graduate Diploma in Industrial Relations,and Post-Graduate Diploma in Strategic Management	Labour Relations	Ndalama	GSEC	4
Sifiso Lukhele	Member	01 November 2017 (Re-appointed on 01 December 2020)	N/A	Bachelor of Arts in Law; and Bachelor of Law	Employment Law; Human Resources; Employee Wellbeing; and Negotiations	None	HRC and PC	10
Lucio Trentini	Member	01 November 2017	30 November 2020	Bachelor of Arts in Economic History and Industrial Psychology; Post Graduate Diploma in Management; and Expert Negotiator Certificate	Labour Market; Collective Bargaining; and Industrial Relations	Steel and Engineering Industries Federation of Southern Africa (SEIFSA); and Metal Industries Benefit Funds Administrators (MIBFA)	ASC	6
Kaizer Moyane	Member	01 November 2017 (Re-appointed on 01 December 2020)	N/A	Bachelor of Arts; and Bachelor of Law	Labour Relations; and Employment Law	Chairperson of Social & Transformation Policy Standing Committee (BUSA)	GSEC and ARC	10

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Aggy Moiloa	Member	01 November 2017	30 November 2020	Bachelor of Arts in Education; Bachelor of Arts with Honours in Applied Psychology; and Masters in Public and Development Management	Employment Law; Labour Law; Inspections; and Enforcement	Chairperson of Social & Transformation Policy Standing Committee (BUSA); and (NEDLAC)	None	5
Virgil Seafield	Member	01 November 2017	30 November 2020	Bachelor of Arts; Bachelor of Education; and Master's in Business	Labour Policy; Development; and Labour Relations	None	GSEC and PC	5
Ntsoaki Mamashela	Member	01 November 2017	30 November 2020	Bachelor of Arts; Advanced Labour Law Programme; and Masters in Labour Law	Labour Relations, Employment Equity; Policy Development; and Research and Legal Drafting	None	ASC and HRC	6
Narius Moloto	Member	01 November 2017 (Re-appointed on 01 December 2020)	N/A	Labour Relations	Labour Market; and Labour Relations	Building Industry Invest; The Amber Cascades Trading; and Big Sky Trading 249	ARC and ASC	10
Bheki Ntshalintshali	Member	01 November 2017(Re-appointed on 01 December 2020)	N/A	Labour Relations	Labour Relations	Employment Services Board; Naledi; and NEDLAC	HRC and PC	10
Geoffrey Esitang	Member	01 November 2017	30 November 2020	Bachelor of Arts; Master of Laws; and LLD	Employee Relations; and Labour Relations	None	GSEC	0

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Cameron Sello Morajane	Ex-officio Member	01 April 2018	N/A	Master of Laws	Labour Relations	None	GSEC, ASC, ARC, HRC and PC	9
NEWLY APPOINTED CCMA GOVERNING BODY COMMITTEE (APPOINTED ON 01 DECEMBER 2020)								
Enos Ngutshane	Chairperson	01 December 2020	N/A	Diploma in Administrative Studies; and Master of Public Administration	Public Administration; and Operational Safety	Institute of Retirement Funds; Institute of Retirement Funds Africa; and Institute of Directors of Southern Africa	GSEC	3
Thembinkosi Mkalipi	Member	01 December 2020	N/A	Wits Management; and Advanced Programme	Labour Relations	None	HRC and ASC	2
Siobhan Leyden	Member	01 December 2020	N/A	Bachelor of Laws (LLB); and Master of Laws (LLM)	Labour Law	NEDLAC; and Compensation Fund Board	ASC	3

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Riefdah Ajam	Member	01 December 2020	N/A	Bachelor of Business and Administration (BBA); and Post Graduate Diploma Business Management	Labour Relations	Workers World Media Productions; Development Institute for Training, Support and Education for Labor (DITSELA); Millennium Labour Council (MLC); Employment Services Board (Department of Labour); NEDLAC; Western Cape Premier's Skills Council Member; Technical Working Group: Department of Economic Development and Tourism – Western Cape; Economic Development Partnership – Western Cape; Labour Rights for Women (LRW); and Western Cape Committee Member	GSEC	2
Tshepo Mahlaela	Member	01 December 2020	N/A	Baccalaureus Procurationis (B-Proc); and LLM	Legal specialist	Deeds Registries Regulation Board;	PC and GSEC	2

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Conny Mametja	Member	01 December 2020	N/A	Diploma in Public Administration; Bachelor of Administration (B Admin) Honours; Master of Administration (MAdmin); and Public Administration	Public Management; and Corporate Services	ICLEI Africa For Local Government Sustainability: Non-Executive Director; Sam Nzima Foundation: Board Member; Member of Bid Evaluation Committee at MEGA; Member of Governance, State Capacity and Institutional Development Cluster at the Department of Justice and Constitutional Development Cabinet Cluster: Chairperson of HR and Ethics Sub Committee of Department of Justice and Constitutional Development; Member of Finance Committee Department of Justice and Constitutional Development; and Member of Integrated Planning Sub Committee	ARC	3

5.1. AUDIT AND RISK COMMITTEE (ARC)

During the 2020/21 financial year, ARC meetings were held as follows:

TABLE 33: NUMBER OF 2020/21 ARC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	4
Special meetings	4
TOTAL	**8**

During the 2020/21 financial year the ARC Membership was as follows:

TABLE 34: ARC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Velile Pangwa	Independent Chairperson	01 April 2018	31 March 2021	Bachelor of Commerce in Accounting; Post Graduate Diploma in Management Financial Accounting; B. Com Honours in Accounting; and SAICA Chartered Accountant	Accounting and Auditing	ANFINC Chartered Accountants	ARC	8
Ramona Clark	Independent Member	01 April 2018	31 March 2021	B. Com Accounting; B. Com Honours in Accountancy (CTA); and SAICA Chartered Accountant	Auditing and Accounting	None	ARC	8
Dimakatso Mahlaela (Deceased)	Independent Member	01 August 2018	31 March 2021 (Deceased on 01 December 2020)	National Diploma: Internal Auditing; B Tech Degree: Internal Auditing; Diploma in Risk Management; Post Graduate Diploma in Business Management; Master's Degree in Business Administration; and Professional Accountant (SA)	Risk Management	None	ARC	2

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Narius Moloto	Governing Body Member	Re-Appointed to ARC on 11 January 2021	N/A	Labour Relations	Labour Market and Labour Relations	Building Industry Invest; The Amber Cascades Trading; and Big Sky Trading 249	ARC and ASC	8
Charles Motau	Independent Member	01 April 2018	31 March 2021	Bachelor of Commerce Degree; Higher Diploma in Computer Auditing; Master in Business Leadership; Master's in information technology; and PhD in Computer Science and Data Processing	Information, Communication and Technology	Motau Consulting	ARC and ICT Steering Committee	5
Kaizer Moyane	Governing Body Member	Re-Appointed to ARC on 11 January 2021	N/A	Bachelor of Arts; and Bachelor of Law	Labour Relations and Employment Law.	Chairperson of Social & Transformation Policy Standing Committee (BUSA); and NEDLAC	GSEC and ARC	8
Aggy Moiloa	Governing Body Member	01 November 2017	30 November 2020	Bachelor of Arts in Education; Bachelor of Arts with Honours in Applied Psychology; Masters in Public and Development Management; and National Diploma in Educational Psychology	Employment Law, Labour Law, Inspections and Enforcement	None	ARC	2
Cameron Sello Morajane	Ex officio Member	01 April 2016	N/A	Master of Laws	Labour Relations	None	GSEC, ASC, ARC, HRC and PC	6

Name	Designation	Date Appointed	Date Resigned/ End of Term	Qualifications	Area of Expertise	Board Directorships	CCMA Committee Membership	No. of Meetings Attended
Conny Mametja	Governing Body Member	11 January 2021	N/A	Diploma in Public Administration; Bachelor of Administration (B Admin) Honours; and Master of Administration (M Admin) Public Administration	Public Management Corporate Services	ICLEI Africa for Local Government Sustainability: Non-Executive Director; Sam Nzima Foundation: Board Member; Member of Bid Evaluation Committee at MEGA; Member of Governance, State Capacity and Institutional Development Cluster; Chairperson of HR and Ethics Sub Committee of Department of Justice and Constitutional Development; Member of Finance Committee Department of Justice and Constitutional Development; and Member of Integrated Planning Sub Committee at the Department of Justice and Constitutional Development	ARC	2

5.2. Accreditation and Subsidy Committee (ASC)

During the 2002/21 financial year, ASC meetings were held as follows:

TABLE 35: NUMBER OF 2020/21 ASC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	4
Special meetings	1
TOTAL	**5**

The composition of the ASC and meeting attendance for the 2020/21 financial year is outlined in the table below:

TABLE 36: ASC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	No. of Meetings Attended
Ntsoaki Mamashela	Chairperson	4
Lucio Trentini	Member	4
Narius Moloto	Member	5
Cameron Sello Morajane	Ex-officio Member	4
NEWLY APPOINTED ASC MEMBERS (APPOINTED ON 11 JANUARY 2021)		
Thembinkosi Mkalipi	Chairperson	1
Siobhan Leyden	Member	1

5.3. Human Resources Committee (HRC)

During the 2020/21 financial year, HRC meetings were held as follows:

TABLE 37: NUMBER OF 2020/21 HRC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	4
Special meetings	2
TOTAL	**6**

The composition of the HRC and meeting attendance for the 2020/21 financial year is outlined by table below:

TABLE 38: HRC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	No. of Meetings Attended
Sifiso Lukhele	Chairperson	6
Ntsoaki Mamashela	Member	4
Bheki Ntshalintshali	Member	5
Cameron Sello Morajane	Ex-officio Member	5
NEWLY APPOINTED HRC MEMBER (APPOINTED 11 JANUARY 2021)		
Thembinkosi Mkalipi	Member	2

5.4. Governance, Social and Ethics Committee (GSEC)

During the 2020/21 financial year, GSEC meetings were held as follows:

TABLE 39: NUMBER OF 2020/21 GSEC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	4
Special meetings	1
TOTAL	**5**

The composition of the GSEC and meeting attendance for the 2020/21 financial year is outlined in the table below:

TABLE 40: GSEC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	No. of Meetings Attended
Makhulu Ledwaba	Chairperson	3
Kaizer Moyane	Member	5
Geoffrey Esitang	Member	0
Virgil Seafield	Member	3
Cameron Sello Morajane	Ex-officio Member	5
NEWLY APPOINTED GSEC MEMBERS (11 JANUARY 2021)		
Riefdah Ajam	Chairperson	1
Enos Ngutshane	Member	1
Tshepo Mahlaela	Member	1

5.5. Procurement Committee (PC)

During the 2020/21 financial year, PC meetings were held as follows:

TABLE 41: NUMBER OF 2020/21 PC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	8
TOTAL	**8**

The composition of the PC and meeting attendance for the 2020/21 financial year is outlined in the table below:

TABLE 42: PC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

Name	Designation	No. of Meetings Attended
Bheki Ntshalintshali	Chairperson	8
Scott Mphuthi	Member	2
Sifiso Lukhele	Member	6
Virgil Seafield	Member	5
Cameron Sello Morajane	Ex-officio Member	6
NEWLY APPOINTED PC MEMBER (APPOINTED ON 11 JANUARY 2021)		
Tshepo Mahlaela	Member	3

6. REMUNERATION OF THE GOVERNING BODY AND COMMITTEE MEMBERS

TABLE 43: REMUNERATION OF THE GOVERNING BODY AND COMMITTEES' MEMBERS FOR THE 2020/21 FINANCIAL YEAR

Name	Remuneration (R)	Other Allowance (R)	Other Reimbursements (R)	Total (R)
Makhulu Ledwaba	77 834	0	0	77 834
Sifiso Lukhele	196 837	0	0	196 837
Lucio Trentini	56 424	0	0	56 424
Kaizer Moyane	144 306	0	0	144 306
Narius Moloto	194 049	0	0	194 049
Bheki Ntshalintshali	177 056	0	0	177 056
Velile Pangwa	90 440	0	0	90 440
Ramona Clark	44 040	0	0	44 040
Charles Motau	68 789	0	0	68 789
Geoffrey Esitang **	0	0	0	0
Ntsoaki Mamashela *	N/A	N/A	N/A	N/A
Aggy Moiloa *	N/A	N/A	N/A	N/A
Virgil Seafield *	N/A	N/A	N/A	N/A
Sandra Dimakatso Mahlaela *	N/A	N/A	N/A	N/A
Newly Appointed CCMA Governing Body Members (appointed 01 December 2020)				
Enos Ngutshane	49 371	0	0	49 371
Riefdah Ajam	27 935	0	0	27 935
Siobhan Leyden	26 148	0	0	26 148
Conny Mametja *	N/A	N/A	N/A	N/A
Tshepo Mahlaela *	N/A	N/A	N/A	N/A
Thembinkosi Mkalipi *	N/A	N/A	N/A	N/A

*Members are public officials appointed in terms of the Public Service Act and hence not been remunerated for participating in meetings

**Member did not attend meetings.

7. ESSENTIAL SERVICES COMMITTEE (ESC)

During the 2020/21 financial year, ESC meetings were held as follows:

TABLE 44: NUMBER OF 2020/21 ESC MEETINGS CONVENED

Type of Meetings	Number of Meetings
Ordinary meetings	18
Special meetings	0
TOTAL	**18**

During the 2020/21 financial year, the ESC membership were as follows:

TABLE 45: ESC MEMBERSHIP FOR THE 2020/21 FINANCIAL YEAR

COMPOSITION OF THE ESC								
Name	Designation (In Terms of The Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees (E.G: Audit Committee)	No. of Meetings Attended
Luvuyo Bono	Chairperson	01 July 2018	N/A	B. Juris; LLB; and LLM	Labour Law; and Corporate Governance	NEICT and ELRC	None	9
Joyce Nkopane	Deputy Chairperson – Senior CCMA Commissioner	01 July 2018	N/A	B. Proc; LLB; and Higher Diploma in Corporate Law	Labour Law	Mbileni Tohlang – Nkopane Inc. Senior Commissioner of the CCMA	None	14
Annelie Gildenhuys	Business	01 July 2018	N/A	PhD. Industrial Sociology M.A. Industrial Sociology (2008); and BA Hons Industrial Sociology BA	Accredited Commercial Mediator	N/A	Commissioner of the Employment Equity Commission	12
Aruna Ranchod	Business	01 July 2018	N/A	BA Law	Law and Labour Relations	N/A	None	9
Nomazotsho Memani	Local Government	01 July 2018	N/A	BA Law; and LLB	Human Rights Law Labour law	N/A	None	12

COMPOSITION OF THE ESC								
Name	**Designation (In Terms of The Public Entity Board Structure)**	**Date Appointed**	**Date Resigned**	**Qualifications**	**Area of Expertise**	**Board Directorships (List the Entities)**	**Other Committees (E.G: Audit Committee)**	**No. of Meetings Attended**
Zwe Ndlala	Local Government	01 July 2018	N/A	BA Honours Industrial Psychology; BA Law; Management Advancement Programme (MAP); and Higher Diploma: Industrial Relations	Labour law	Registered Psychometrist Registered Member of SABPP Qualified Director and Member of IoDSA Member of BMF	SALGBC	9
Makhubalo Ndaba	Labour	01 July 2018	N/A	B Juris; LLB; and LLM: Employment Law	Labour law	Advocate of the High Court of South Africa; Company Secretary; and Public Officer: Financial Services Board	POPCRU	13

COMPOSITION OF THE ESC

Name	Designation (In Terms of The Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees (E.G: Audit Committee)	No. of Meetings Attended
Clement Marule	Labour	01 July 2018	N/A	Labour Law Certificate Negotiation Skills for the World of Work (ILO); Post Graduate Diploma: Labour Law Certificate; Labour Relations Management Certificate; and Human Resource Management	Collective Bargaining and Negotiations Dispute Management	None	Union Provincial Committee Executive; and Central Executive Committee	8

During the 2020/21 financial year, Members of the ESC were remunerated as follows:

TABLE 46: REMUNERATION OF ESC MEMBERS FOR THE 2020/21 FINANCIAL YEAR

Name	Remuneration (R)	Other Allowance (R)	Total Number of Cases and Meetings
Luvuyo Bono	1 172 672	18 300	223
Joyce Nkopane	701 947	12 200	137
Annelie Gildenhuys	172 444	-	40
Aruna Ranchod	282 513	-	69
Nomazotsho Memani	216 471	-	58
Zwe Ndlala	187 119	-	48
Makhubalo Ndaba	242 154	-	52
Clement Marule	231 147	-	56

8. RISK MANAGEMENT AND INTERNAL CONTROL

The CCMA has adopted Enterprise-Wide Risk Management (ERM) as an essential part of effective Corporate Governance and reviews its Risk Management and Implementation Plan on an annual basis. This incorporates continuous risk identification and assessment, internal control embedment, and risk mitigation and insurance strategies.

During the period under review, the 2020/21 Risk Strategy and Implementation Plan was fully implemented: 56 activities were planned, with 69 activities were conducted across the CCMA's business landscape. A 60% Risk Profile was recorded. 38 of the 63 risk action plans identified were implemented over the financial year. Action plans that were outstanding and partially completed within the financial year have been transferred to the opportunities risk register.

During the 2020/21 financial year, the Risk Profile methodology has been updated to consider COVID-19 and its impact on the strategic risk environment. Re-assessment of strategic risk mitigation plans to align to the changing risk landscape, new normal ways of working, compliance to the National Disaster Management Act, the prevailing National Government risk adjustment strategies and National Treasury budget cuts were conducted.

Furthermore, each Department and Region developed and maintained their respective Operational Risk Registers, which outlined the identified operational risks and the accompanying response strategies to address the risks. The organisation was able to revive its Business Continuity Management (BCM) processes through effectively rolling out the 2020/21 Business Continuity Management Implementation Plan and Roadmap and the review of BCM governance documents to ensure the governance culture relating to (BCM) processes remains relevant.

The ARC provides an oversight role over the CCMA's ERM Function through monitoring the effectiveness of the CCMA's risk management processes, with the ERM Function reporting quarterly to the ARC on all its activities and its functionality, including the risk maturity of the organisation. The ARC also exercised stringent oversight over the CCMA's ERM Risk Profile through the monitoring of the Risk Appetite and Tolerance levels set by the Governing Body during the 2020/21 financial year. This is to ensure the CCMA's ERM is within acceptable levels. During the financial year, the National Management Committee (NMC) and Executive Risk and Compliance Management Committee (ERCMC) were operational as planned. The mandates of these Committees are to assist the ARC in discharging its oversight responsibility for the adequacy of the CCMA's ERM Function the National Treasury Financial Management Capability Maturity Model was used to assess the CCMA's risk management maturity level, monitoring progress in implementing enterprise-wide risk management within the organisation. During the 2020/21 financial year, the CCMA has maintained a five (5) risk maturity level rating, meaning that the CCMA has an optimised risk maturity level with a focus on embedding the risk culture across the organisation. The ERM's efforts during the 2020/21 financial year have resulted in the mitigation of the CCMA's main inherent risks that the CCMA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels

9. COMPLIANCE WITH LAWS AND REGULATIONS

The CCMA is committed to a philosophy of Integrated Compliance Risk Management as a core managerial capability, which is aligned to the principles of the King IV Report, the standards set by the Compliance Institute of South Africa, and the legislative requirements of the PFMA. As at the end of the 2020/21 financial year the CCMA maintained an optimum compliance maturity level of five (5). The Compliance Management Unit (CMF) is fully functional at identifying strategic and operational compliance gaps through its Compliance Policies, Frameworks, Manual and Implementation Plans developed, approved and implemented. Due to the enterprise-wide approach to CMF, Compliance Champions were appointed across all Departments and Provinces to cascade down and integrate compliance principles at business unit level.

The CCMA's 2020/21 Compliance Regulatory Universe had 48 pieces of legislation that identified what the CCMA must comply with, with the application of the Risk Management Model statistically identifying the top 20 high risk statutes. High-risk statutes were identified, monitored, and evaluated more regularly to minimise reputational damage, litigation, fines and penalties, and loss of an unqualified audit. Stringent testing was conducted on the identified high-risk statutes through CRMPs, with conformance testing conducted on compliance with policy and procedures. The ARC exercised stringent oversight over the CCMA's CMF during the 2020/21 financial year to ensure its functionality and adequacy.

10. INTERNAL AUDIT

Internal Audit's review of control, risk management and governance processes followed a risk-based approach in line with the plan approved by the ARC. To enable effective outcomes, Internal Audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working. Consulting activities were made available to help improve the organisation's systems and processes where necessary.

The Internal Audit Department facilitated the combined assurance model. The model optimised the assurance coverage obtained from assurance providers in managing risk areas affecting the organisation. There are several assurance providers within the CCMA that, either directly or indirectly, provide a certain level of assurance over management of key risk exposures identified during the risk assessment process.

The implementation of corrective action plans in addressing internal control weakness identified as per both internal and external audit reports was followed up by Internal Audit Department. The implementation status was reported to Management and ARC on a monthly and quarterly basis.

11. FRAUD AND CORRUPTION

The CCMA has adopted a zero-tolerance approach to fraud and corruption. As part of achieving this, the CCMA has a Policy on Fraud Prevention and Anti-corruption, a Fraud Prevention and Anti-Corruption Strategy and Plan and a designated Fraud Hotline. Furthermore, the CCMA has an established Complaints and Ethics Management Function aligned with the Public Sector Integrity Framework, the King IV™ Report and the PFMA.

During the period under review, 100% of the 2020/21 Fraud Prevention and Anti-Corruption Strategy and Implementation Plan were implemented. Fraud awareness sessions and fraud risk assessments were conducted. In addition, CCMA employees and members of governance structures were required to complete Declaration of Interest forms to ensure no conflict of interest in their engagements with service providers registered on the National Treasury's Central Supplier Database (CSD).

During the 2020/21 financial year, the three (3) year anonymous whistleblowing hotline contract with Vuvuzela came to an end on 31 December 2020. Accordingly, the CCMA appointed Advance Call to manage its anonymous whistleblowing hotline effective from 01 January 2021 until 31 December 2023. The CCMA Fraud Hotline is implemented in line with the Protected Disclosure Act, 2000 (Act No.26 of 2000) to ensure confidentiality and protection of rights of whistle-blowers reporting any fraud or criminality in good faith. Details for reporting suspected fraud and/or ethical infringements are as follows:

- Hotline Number: 0860 666 348
- Email: ccma@behonest.co.za
- WhatsApp Number: 0860 004 004
- Online Chat: www.behonest.co.za
- Postal Address: BNT165, Brooklyn Square, 0075

Over and above the Fraud Hotline, the CCMA has in place a Complaints Management Function wherein Users can lodge complaints against the conduct of CCMA employees, Commissioners and Members of Governance structures. As a result, the CCMA received 299 complaints during the 2020/21 financial year, representing a 29.31% decrease compared to the 2019/20 financial year, wherein 423 complaints were received. The ARC and the GSEC, exercised stringent oversight over the implementation of the 2020/21 Fraud Prevention and Anti-Corruption Strategy and Implementation Plan during the 2020/21 financial year.

12. GIFTS, DONATIONS AND SPONSORSHIP

The CCMA has in place a Gifts, Donations and Sponsorship Policy and SOP, that directs the granting and receipt of gifts, donations and sponsorships by the CCMA, Staff Members and Members of the Governance Structures. Gifts, Donations and sponsorships are reported on a quarterly basis to the Governance Structures.

During the 2020/21 financial year, 22 gifts were declared by CCMA officials, with 19 gifts being accepted as these were below the allowable gift threshold of R350, with three (3) gifts declined as they were above the threshold. The Governing Body approved receipt of two (2) donations received by the CCMA. The GSEC exercised stringent oversight over the Gifts, Donations and Sponsorship Register during the 2020/21 financial year.

13. MINIMISING CONFLICT OF INTEREST

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

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

14. CODE OF CONDUCT

The CCMA has a Code of Conduct for Employees and Commissioners that serves as a guideline for acceptable standards of conduct expected from employees and Commissioners in line with the values of the CCMA. The Code regulates and nurtures good and ethical behaviour. The CCMA also has a Code of Conduct for Governing Body and Committee Members aimed at promoting ethical leadership as envisioned by the King IV™ Report on Corporate Governance.

15. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

During the reporting period, the CCMA effectively managed the impact of the COVID-19 outbreak. Where required offices were closed to ensure that they were disinfected in order to minimise employees and Users exposure. The disinfecting of offices has been managed within SMC parameters to ensure strict budget control and avoidance of non-compliance to prescripts. At the time of reporting, the CCMA had recorded 211 reported cases of positive COVID-19 infections and six (6) deaths.

OHS remained a priority for the organisation. In this regard, the CCMA, ensured the continuous monitoring and implementation of strategies aimed at eliminating recognised hazards by creating awareness and educating employees about OHS related matters. This in turn provided assurance to employees, Users and visitors, that CCMA offices are safe, with risk of infections minimised.

Given the character of the CCMA and the services it provides, the importance of compliance with OHS regulations cannot be over emphasised. The CCMA has made statutory appointments to assist in ensuring the safety of employees. OHS Committees are in place, both at the National Office and at Provincial level. Training sessions were conducted on a regular basis to ensure that Committee Members are abreast with legislation as well as their roles and responsibilities as statutory OHS Officers. The CCMA has also introduced OHS e-Learning, which is a self-paced online learning environment and provides useful information at a time that suits the staff member.

During the procurement of new office facilities, compliance with OHS regulations was insisted upon. Regular inspections, assessments and maintenance were conducted to ensure the sustenance of a safe and healthy environment.

16. BOARD SECRETARY

The Board Secretary Function is performed by the Governance and Secretariat Services (GSS) Function of the CCMA, headed by the Executive Governance and Strategy: Ms Annah Mokgadinyane, as the post of the Manager: GSS is vacant. The GSS Function is mandated amongst others, to provide governance advisory and secretariat services to the CCMA Governance and Management Structures. The GSS Function is also required to ensure the functionality of the Governance and Management structures of the CCMA to mitigate governance failures, improve organisational and governance processes, and assist the organisation strive for maximum compliance to legislation, policy, and best practice.

17. SOCIAL RESPONSIBILITY

During the 2020/21 financial year, the CCMA in meeting its social responsibility participated in the following Corporate Social Responsibility (CSR) initiatives and activities:

- Nelson Mandela Legacy Programme;
- Solidarity Fund Pledge;
- Nelson Mandela Day;
- Casual Day;
- Keep a Child Warm this winter;
- Cell C Take a Girl Child to Workday; and
- Tracker Tomorrow's Men.

Nelson Mandela Legacy Programme

Through the "Nelson Mandela Legacy Programme", the CCMA's flagship CSR Programme designed to advance Honourable Nelson Mandela's legacy which championed community upliftment and socio-economic development within disadvantaged communities, the CCMA donated R64 450 to New BeginningZ. New BeginningZ was founded in 2001 and works with the Department of Social Development and the South African Police Services to identify abandoned, malnourished, abused, and neglected children. The children are then taken care of, with some being reunited with their parents.

The donation, which was made possible through the generous contributions of CCMA Commissioners, Management and employees, was utilised by the beneficiary (New BeginningZ) to procure Personal Protective Equipment (PPEs), laptop chargers, stationery, mathematical sets, educational toys, and teaching aids for their Early Childhood Development and Youth Centres which offer free education for toddlers and free homework assistance for the youth. The donation also made it possible for the centre to upgrade its playground.

Solidarity Fund Pledge

In heeding the call by the President to support the Solidarity Fund, the CCMA developed a campaign that appealed to all its employees and Commissioners to make confidential and voluntary contributions to the Solidarity, to support the containment of COVID-19 and South Africans whose lives have been disrupted by the pandemic, including caring for those in need. Through the campaign, CCMA employees and Commissioners generously pledged R29 900 to the Solidarity Fund. The pledged amount was paid over to the Solidarity Fund in August 2020.

Nelson Mandela Day

The CCMA celebrated Madiba's life and legacy by joining the global movement to honour his life's work and act to change the world for the better through celebrating Nelson Mandela Day under the theme #EACH1FEED1 #ACTIONAGAINSTPOVERTY by donating time, food parcels, and other non-perishable items to identified beneficiaries in different Provinces and CCMA Regions to assist those families left desolate due to the COVID-19 pandemic. Through this initiative, the following shelters and homes benefited: The Homestead Children, Western Cape; Masizakhe Child and Youth Centre, East London; Kids Haven Child and Youth Centre, Ekurhuleni; Golang Educational Outreach, Zandspruit Honeydew; Tsoga Re Thuse Community Project, North West; The Thamsanqa Cluster Foster Homes, Port Elizabeth; Home of Hope for Girls, Johannesburg; Reakgona Centre, Limpopo; Destiny House Children Care Centre, Northern Cape; Sunflower Children's Hospice, Free State; House of Dorcas Women's Shelter, KwaZulu Natal; Foundation for Victims of Crime, Witbank, Theresa Willis Home of Hope and Kgomotso Children Centre, Tshwane.

Casual Day

On 03 December 2020, the CCMA National Office and Provinces participated in the Casual Day, of the National Council of and for Persons with Disabilities (NCPD)'s and Provinces. Although the sale of the casual day stickers was affected as some CCMA employees were working from home, the CCMA managed to sell 56% of the ordered stickers, with an associated rand value of R5 060. The unsold stickers were returned.

Cell C Take a Girl Child to Work Day

The CCMA National Office and Provinces participated in the 18th Cell C Take a Girl Child to Work Day under the theme "#MoreThanADay". On 21 August 2020, the National Office hosted about 20 girl learners from Tembisa High School to provide career guidance and motivation to learners; hopefully to inspire future accountants, executives, entrepreneurs, engineers and influential women leaders. The learners were exposed to the following careers within the CCMA's finance. The session was an interactive one wherein learners were able to ask questions relating to the careers of their interest. Furthermore, a motivational talk was given to the learners to pursue their dreams and achieve greatness regardless of their backgrounds.

Keep a Child Warm this Winter

Through the "Keep A Girl Child Warm This Winter" initiative, the CCMA's National Office and Provinces, donated clothes, scarves, beanies, gloves, jerseys, and small blankets to identified Non-Governmental organisations that care for little children. This intervention was aimed at adding a little warmth, comfort and happiness to little heads, fingers and toes and giving them warmth and comfort and encourage them to attend school and stay focused throughout their path of learning.

Tracker Tomorrow's Men

The CCMA National Office and Provinces participated in the Tracker Tomorrow's Man programme, an initiative endorsed by the Department of Basic Education which calls on all corporates to play an active role in grooming male learners to become responsible citizens and the leaders of tomorrow. The CCMA National Office convened a webinar with approximately 20 Grade 10 -11 boy-learners from Matla Combined School, based at Krugersdorp. The National Youth Development Agency (NYDA) also participated in the programme to engage and share information on youth development opportunities and expanded on processes, applications, and funding opportunities from the National Student Fund Aid Scheme (NSFAS).

18. AUDIT AND RISK COMMITTEE REPORT

AUDIT AND RISK COMMITTEE'S (ARC) REPORT FOR THE 2020/21 FINANCIAL YEAR

We are pleased to present our report for the financial year ended 31 March 2021.

ARC MEMBERSHIP

As per the approved ARC Charter, the ARC is comprised of seven (7) members: three (3) appointed Governing Body Members and four (4) independent Members.

ROLES AND RESPONSIBILITIES

The approved ARC Charter governs the ARC and outlines the roles and responsibilities that must be conducted in line with Section 55(1)(a) of the PFMA and Treasury Regulation 27.

The work of the ARC for the 2020/21 financial year was governed by a workplan, which outlined the activities of the ARC for the financial year. The ARC executed all its planned activities for the 2020/21 financial year.
The ARC discharged its roles and responsibilities on the following matters:

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

In fulfilling the oversight responsibility of financial reporting, the ARC, assisted by the Internal Audit Department, reviewed, assessed and discussed the AFS information included in this 2020/21 Annual Report.

ARC MEETINGS

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

THE EFFECTIVENESS OF INTERNAL CONTROLS

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

Through the review of Management Reports and ARC sub-committees' reports, the ARC took decisive actions to address the internal control deficiencies when it was considered necessary and made appropriate recommendations where required to the Governing Body.

ACTION PLANS

The ARC continued to monitor implementation of Management's corrective action plans as they arose from assurance providers' reports. This process has created an environment that has efficient and effective internal controls. The external auditor's process for the 2020/21 financial year confirmed that out of 12 external audit findings raised, one (1) finding was still being implemented by Management as of 31 March 2021. The ARC is committed to effectively implementing and monitoring controls to prevent repeat findings.

EXTERNAL AUDIT

The ARC concurs and accepts the AGSA conclusions on the audit of the AFS, Annual Performance Report, and compliance with legislation for the 2020/21 financial year, as per the AGSA Report.

WORDS OF APPRECIATION

Gratitude is extended to the Management, Internal Audit Department, the ICT Steering Committee and ERCMC in supporting the work of the committee to ensure that the ARC can exercise its oversight responsibility effectively.

The term of this ARC ends on 31 March 2021. We wish the new ARC well in the execution of its mandate.

VELILE PANGWA (CA)SA
CHAIRPERSON OF THE CCMA ARC

19. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The below table depicts the CCMA B-BBEE Compliance Performance Information.

TABLE 47: B-BBEE COMPLIANCE PERFORMANCE INFORMATION

CRITERIA	RESPONSE	OTHER ALLOWANCE
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not applicable in the current financial year
Developing and implementing a preferential procurement policy	No	CCMA has adopted and is implementing
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable in the current financial year
Developing criteria for entering partnerships with the private sector	No	Not applicable in the current financial year
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	No	Not applicable in the current financial year

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

During the period under review, Human Resources Management focus has been to support the strategic objectives of the CCMA. The Human Resources Strategy is in place and was implemented. The focus for the period under review was on the Human Resources value chain, that is, Talent Acquisition, Talent Development, Employee Profile, Employee Movements, Leave Analysis, Performance Management and Employee Relations.

The 2020/21 financial year was a difficult year characterised by the COVID-19 pandemic. Accordingly, adjustments were made to working arrangements to ensure continuity of business as well as the maintenance of health and wellness of employees and Users. The availability of ICT has seen some pockets of employees working remotely. The ICT budget was prioritised to provide a conducive environment to allow an increased number of employees to work remotely. However, in the Provinces, positions such as Case Management Officers were not able to work remotely due to the nature of the function and the need for office-based infrastructure. Commissioners in some cases conducted virtual cases. All planned training interventions were completed by using technology-based solutions such as Microsoft Teams and Zoom.

Due to fiscal constraints, a hiring freeze was implemented during the year, but at the same time, the focus remained to ensure the provision of human capital needed to enable the organisation to fulfill its statutory and discretionary mandates. In fulfilling its obligations, the Human Resources Function adopted four (4) pillars in the financial year under review, namely, capacity, capability, commitment and compliance.

1.1. PERFORMANCE, KEY ACHIEVEMENTS AND STRATEGIC INITIATIVES FOR THE 2020/21 FINANCIAL YEAR

Benchmarking, both locally and internationally, constitutes an essential part of the CCMA's Human Resources activities. For the period under review, the CCMA was able to register significant successes as detailed below:

- Successful transition to remote working;
- The Part-Time Commissioner recruitment process continued and was completed;
- The CCMA Policy on COVID-19 was approved and implemented. COVID-19 Steering Committee meetings were held twice a month and walkthrough Risk Assessments conducted weekly at all offices, to ensure compliance to OHS protocols.;
- The 2020/21 Internship Programme was completed having 18 interns who participated and were assisted with work-related development to supplement their academic achievements;
- Following the reconfiguration of the Regions all PSC's positions, except for the Eastern Cape, were filled effective from 01 July 2020.;
- The Performance Management process was facilitated across the organisation despite the challenges of COVID-19 and remote working;
- The number of grievances was kept consistently low due to proactive interventions utilised to resolved issues related to employee unhappiness; and
- The number of disciplinary cases were low, showing an improved turnaround time in the conclusion of disciplinary matters.

1.2. KEY 2021/22 STRATEGIC INITIATIVES AND PROJECTS TO BE PURSUED

The Human Resource function will continue to guide CCMA leadership to invest in its talent through the overarching Talent Management programme as well as ensuring robust performance management at all levels of the organisation.

Although there have been some delays in the implementation of technology-driven business solutions to enhance speed and quality of delivery of processes, this will be a continued focus in collaboration with the ICT Department.

Similarly, as with many organisations world-wide, 4IR is creating a paradigm shift in the way the CCMA works period after works. Resultantly, the CCMA has been afforded an unprecedented window of opportunity to shape the future of work. A cross-functional project in which Human Resources will play a key role has been established to determine this journey for the CCMA. The three (3) key focus areas of the project are:

- Talent - How does the CCMA leverage the talent continuum of talent from full-time, to managed services, to freelancers, independent contractors, gig workers and crowds?
- Workplace - With new combinations of collaboration, teaming, and digital reality technologies, how are workplaces and work practices reshaping where and when work is done.
- Automation - Process of enhancing the efficiency of the Human Resources by freeing employees from tedious manual tasks and allowing them to focus on complex and value adding tasks like decision making and strategising.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Efficient capacitation of the CCMA offices in the nine (9) Provinces across the country was maintained during the period under review. Below are the Human Resource management oversight statistics for the 2020/21 financial year.

The staff demographics of the CCMA as at the end of the reporting period are shown in the table below. The Core Personnel of the CCMA, as shown in the following table, accounts for 69.3% of the staff complement and ensures that the CCMA is capacitated to deliver on its mandate.

CCMA Staff Demographics for the 2020/21 financial year is tabulated below:

TABLE 48: CCMA STAFF DEMOGRAPHICS

OCCUPATIONAL LEVEL	JOB GRADE	FEMALE						MALE						GRAND TOTAL
		A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
Top Management	P01 and P02	3	0	0	0	0	3	1	0	0	1	0	2	5
Senior Management	P03	0	0	0	1	0	1	9	1	1	0	0	12	12
Professionally Qualified	P04 P05 and P06	72	14	9	11	1	107	99	13	2	8	4	126	233
Skilled Technical	P07 P08 P09 P10 P11 and P12	338	30	5	10	1	384	255	12	1	1	2	271	655
Semi-Skilled	P13 and P14	24	4	0	0	0	28	17	1	0	0	0	18	46
Unskilled	P17	9	0	0	0	1	10	3	0	0	0	0	3	13
TOTAL PERMANENT		**446**	**48**	**14**	**22**	**3**	**533**	**384**	**27**	**4**	**10**	**6**	**431**	**964**
Temporary Employees		0	0	0	2	0	2	0	1	0	0	0	1	3
GRAND TOTAL		**446**	**48**	**14**	**24**	**3**	**535**	**384**	**28**	**4**	**10**	**6**	**432**	**967**

CCMA Core Personnel for the 2020/21 financial year is tabulated below:

TABLE 49: CCMA CORE PERSONNEL

DESIGNATION	FEMALE						MALE						GRAND TOTAL
	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
Case Management Officers	133	16	4	4	0	157	57	6	0	1	0	64	221
Commissioners	50	9	4	8	0	71	82	13	1	8	1	105	176
Interpreters	125	4	0	0	0	129	140	2	0	0	0	142	271
TOTAL PERMANENT	**308**	**29**	**8**	**12**	**0**	**357**	**279**	**21**	**1**	**9**	**1**	**311**	**668**

The CCMA has a healthy workforce profile. The concentration of employees between the ages of 36 to 55 represents significant combined experience. To mitigate against the effects typically associated with an aging workforce, pipeline talent development is focused on the age groups 20 to 45. Table 50 depicts the CCMA's workforce per occupation. The gender and race workforce profile are depicted in Table 51. Personnel cost by Department and Provinces is depicted in Table 52.

CCMA Workforce Age Per Occupation for the 2020/21 financial year is tabulated below:

TABLE 50: CCMA WORKFORCE AGE PER OCCUPATION

OCCUPATIONAL CATEGORY / AGE GROUP	20 - 35	36 – 45	46 – 55	56 – 60	61-65	SUB TOTAL
Top Management	1	2	2	0	0	5
Senior Management	0	4	6	2	0	12
Professionally Qualified	37	78	83	26	9	233
Skilled Technical	164	234	183	34	40	655
Semi-Skilled	23	17	6	0	0	46
Unskilled	2	6	3	1	1	13
TOTAL	**227**	**341**	**283**	**63**	**50**	**964**

Gender and Race Workforce Profile for the 2020/21 financial year is below:

TABLE 51: GENDER AND RACE WORKFORCE PROFILE

AGE GROUP	FEMALE						MALE						GRAND TOTAL
	*A	**C	***I	****W	FOREIGN NATIONAL	SUB TOTAL	A	C	I	W	FOREIGN NATIONAL	SUB TOTAL	
20 - 35	102	8	2		1	113	105	5	2	1	1	114	227
36 - 45	180	20	5	8	2	215	116	4	1	2	3	126	341
46 - 55	124	15	4	10	0	153	108	14	1	5	2	130	283
56 - 60	20	4	2	3	0	29	30	3	0	1	0	34	63
61- 65	20	1	1	1	0	23	25	1	0	1	0	27	50
TOTAL	**446**	**48**	**14**	**22**	**3**	**533**	**384**	**27**	**4**	**10**	**6**	**431**	**964**

* African
**Coloured
***Indian
****White

2.1. PERSONNEL COST PER DEPARTMENT AND PROVINCE

The Personnel cost per Department and Province for the 2020/21 financial year is tabulated below.

TABLE 52: PERSONNEL COST PER DEPARTMENT AND PROVINCES

DEPARTMENT/ PROVINCE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP	NO. OF PERSONNEL	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Provinces	674 347	432 210	64.1%	856	505
Office Of The Director	13 277	8 722	65.7%	5	1 744
Finance	87 477	36 358	41.6%	59	616
Dispute Resolution	40 944	31 487	76.9%	38	829
Internal Audit	16 487	11 491	69.7%	10	1 149
Shared Services	84 622	44 065	52.1%	69	639
Governance And Strategy	33 165	26 940	81.2%	43	627
TOTAL	**950 319**	**591 273**	**62.2%**	**1 080**	**547**

* Number of employees includes permanent and fixed-term as of 31 March 2021 including employees who terminated during the financial year.

2.2. PERSONNEL COST BY SALARY BAND

The Personnel cost per salary band for the 2020/21 financial year is tabulated below:

TABLE 53: PERSONNEL COST BY SALARY BAND

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF PERSONNEL	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	14 420	2.4%	5	2 884
Senior Management	26 275	4.4%	13	2 021
Professionally Qualified	222 742	37.7%	262	850
Skilled	311 297	52.7%	697	447
Semi-skilled	13 287	2.3%	36	369
Unskilled	3 252	0.5%	67	49
TOTAL	**591 273**	**100%**	**1080**	**547**

2.3. PERFORMANCE REWARDS

The performance rewards issued during the 2020/21 financial year are tabulated below:

TABLE 54: PERFORMANCE REWARDS

OCCUPATIONAL LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP.
Top Management/ Senior Management	1 603	40 695	3.94%
Professionally Qualified	4 029	222 742	1.81%
Skilled	4 357	311 297	1.40%
Semi-skilled	154	13 287	1.16%
Unskilled	22	3 252	0.68%
TOTAL	**10 165**	**591 273**	**1.72%**

2.4. TRAINING COSTS

The training costs of the 2020/21 financial year are tabulated below:

TABLE 55: TRAINING COSTS

OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF PERSONNEL TRAINED	AVG TRAINING COST PER PERSONNEL (R'000)
Provide for Continuous Professional Development aligned with the needs of the organisation and our people	591 273	9 856	1.67%	962	10 245

* Amount includes, training fees, travel fees and catering fees.

** The number represents the total number of interventions attended by employees, meaning that an employee will be counted twice or more, depending on the number of training interventions that they have attended.

2.5. EMPLOYMENT AND VACANCIES

Due to fiscal challenges, it is worth noting that there has been an increase in vacant positions in the organisation during the reporting period when compared with the previous reporting year. This is due to a freeze on the filling of vacancies because of fiscal challenges. As at the end of the 2020/21 financial year, the overall number of vacancies stood at 83. The vacancy rate for all positions stood at 7.93% for vacancies. In our view, a vacancy rate of more than 5% but below 10% may be manageable for a limited period. If sustained over an extended period, operational efficiency will likely be severely compromised unless the vacancies are filled through acting or secondment appointments. Once the vacancy rate exceeds 10%, some functions may collapse.

The vacancy rate is constantly monitored with funded positions being advertised as soon as they become vacant. Rigorous talent attraction processes have been implemented, such as stringent background and criminal checks, as well as subjecting candidates for senior positions to psychometric testing and preliminary interviews where necessary. A key component of the Talent Management process is the encouragement of upward movements. Positions that are filled by internal candidates leave other positions being vacant.

Over and above monitoring the vacancy rate, vacancies at Top and Senior Management level receive special attention, considering succession plans as defined. At this level, where recruitment and strengthening the leadership bench typically takes slightly longer, a resource is placed in the position in an acting capacity. No position at this senior level has been vacant without an acting appointment for more than 30 days. Constant review of the organisation's remuneration framework and benchmarking against the market are among measures implemented to ensure attraction and retention of top talent. Table below outlines employment and vacancies as of 31 March 2021.

TABLE 56: EMPLOYMENT AND VACANCIES

LEVEL	2019/2020 NO. OF EMPLOYEES	2020/2021 APPROVED POSTS	2020/2021 NO. OF EMPLOYEES	2020/21 VACANCIES	% OF VACANCIES
Top Management	8	8	5*	1	1.22%
Senior Management	7	10	12	3	3.66%
Professionally Qualified	218	243	233	35	42.68%
Skilled	684**	718	655	36	43.90%
Semi-skilled	6851	52	46	7	8.54%
Unskilled	14	15	13	0	0%
TOTAL	**982**	**1046**	**964**	**82**	**100%**

*Decrease due to implementation of new Macro Structure
**Adjusted due to late termination in March 2020

2.6.EMPLOYMENT CHANGES

The employment changes that occurred at the CCMA during the period under review are noted in table below. The reduction in the number of employees in the Top Management structure is because of the implementation of the new Macrostructure in April 2021. The move from the skilled to professionally qualified level is mainly because of the ongoing re-categorisation of the job level of the Commissioners.

TABLE 57: EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	NET INTERNAL APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	8	0	-3	0	5*
Senior Management	7	1	5	1	12
Professionally Qualified	218	14	16	15	233
Skilled	683**	15	-15	28	655
Semi-skilled	51	4	-2	7	46
Unskilled	14	0	-1	0	13
Total	**981**	**34**	**0**	**51**	**964**

*Decrease due to implementation of new Macro Structure
**Adjusted due to late termination in March 2020

2.7. REASONS FOR EMPLOYEES LEAVING

The CCMA's overall staff turnover was 4.87% for the period under review, with approximately 3.06% of the terminations because of resignations. This represents an overall decrease in the turnover rate of approximately 1% when compared with the previous financial year. The number of resignations includes seven (7) Commissioner Conversions from full-time to part-time. When a conversion is approved, the Commissioner resigns from his or her full-time role but continues to render his/her services to the CCMA on a part-time basis.

Exit interviews were conducted wherever possible and reasons given for resignations, other than conversions, were related to career growth and family reasons. Termination reasons were provided to relevant line departments for operational improvement. Attrition in the market is reported at between 5% and 10% and the CCMA is at the bottom end of the range. The table below depicts the statistics related to employees leaving.

TABLE 58: REASONS FOR EMPLOYEES LEAVING

REASON	NUMBER	% OF TOTAL NO. OF EMPLOYEES LEAVING
Death	6	0.57%
Resignation	32	3.06%
Dismissal	1	0.09%
Retirement	11	1.05%
Ill health	0	0
Expiry of contract	1	0.10%
Other	0	0
TOTAL	**51**	**4.87%**

2.8. LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTIONS

Employee relations is a process that ensures that there is a sound employment relationship between the employer and employee. It ensures fairness in respect of consequence management and the handling of employee grievances. To resolve issues as fairly and as quickly as possible, the CCMA has policies in place, a Code of Conduct, a Grievance Procedure as well as a Disciplinary Procedure. Table below depicts consequence management statistics.

TABLE 59: CONSEQUENCE MANAGEMENT STATISTICS

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	7
Written Warning	26
Final Written warning	11
Suspensions	1
Demotions	2
Terminations	-
Resignations*	3
Dismissal	1

*These are resignations where the employee resigned to avoid disciplinary action

2.9. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Equal employment opportunities are provided to all employees and job applicants, and the CCMA endorses the key principles of EEA, namely elimination of discrimination in decision-making, promotion of employee diversity, reduction of barriers to advancement of the disadvantaged and introduction of measures and procedures for transformation.

The National Employment Equity Consultative Forum (NEECF) is in place and is operational as required by legislation. The forum plays a key role in various initiatives related to employment equity and is very instrumental in the implementation of measures of reasonable accommodation for employees with disabilities.

The current CCMA Employment Equity Plan covered the period 1 April 2018 to 31 March 2021. The plan is continuously monitored by the NEECF and Management and is displayed in all CCMA Offices. The annual Employment Equity Report was submitted to the DEL as required by legislation.

Table 60 depicts the equity target and employment equity status of male employees by occupational category. Table 61 on the other hand depicts the equity target and employment equity status of female employees by occupational category. Table 62 shows information of persons with disabilities.

TABLE 60: EQUITY TARGETS AND EMPLOYMENT EQUITY OF MALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	4	0	0	0	1	1	0
Senior Management	9	5	1	2	1	0	0	1
Professionally Qualified	99	52	13	7	2	2	8	7
Skilled	255	293	12	33	1	9	1	22
Semi-skilled	17	14	1	2	0	1	0	2
Unskilled	3	6	0	1	0	0	0	1
TOTAL	**384**	**374**	**27**	**45**	**4**	**13**	**10**	**33**

TABLE 61: EQUITY TARGETS AND EMPLOYMENT EQUITY OF FEMALE EMPLOYEES BY OCCUPATIONAL CATEGORY

OCCUPATIONAL LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	3	4	0	0	0	0	0	0
Senior Management	0	5	0	1	0	0	1	1
Professionally Qualified	72	46	14	10	9	5	11	6
Skilled	338	350	30	32	5	7	10	23
Semi-skilled	24	17	4	4	0	1	0	2
Unskilled	9	7	0	1	0	0	0	1
TOTAL	**446**	**429**	**48**	**48**	**14**	**13**	**22**	**33**

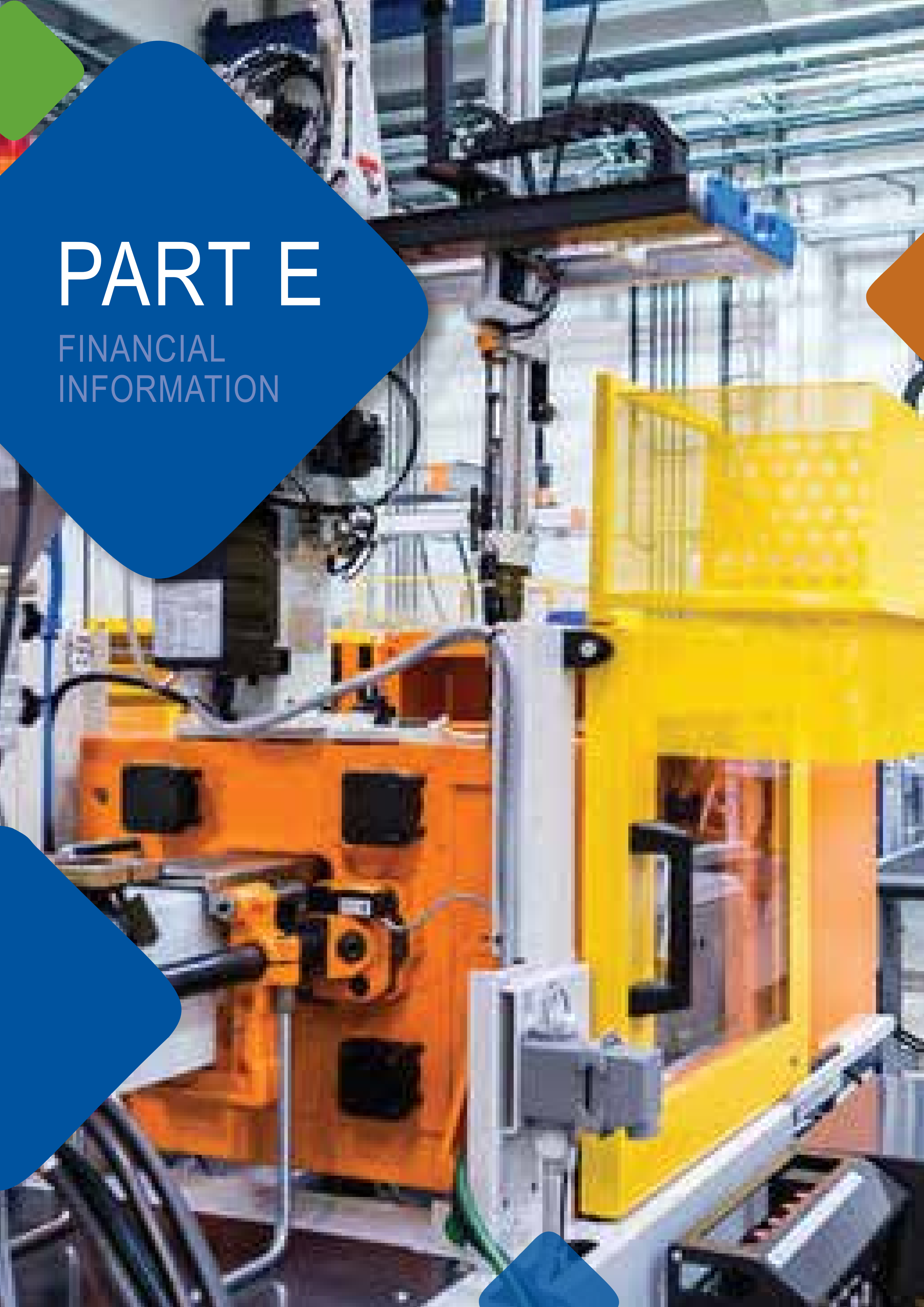
Please note that the EE Plan was approved in 2018 and there have been subsequent changes to the structure. The structure is fluid.

TABLE 62: EMPLOYEES WITH DISABILITIES

OCCUPATIONAL LEVELS	EMPLOYEES WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	1	1	0	1
Professionally Qualified	3	2	3	0
Skilled	6	9	6	9
Semi-skilled	1	2	1	1
Unskilled	0	1	0	0
TOTAL	**11**	**15**	**10**	**11**

PART E

FINANCIAL INFORMATION



Report of the Auditor-General

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Commission for Conciliation, Mediation and Arbitration (CCMA), set out on pages 122 to 179 which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the CCMA as at 31 March 2021and its financial performance and cash flows for the year then ended, in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 32 to the financial statements, the corresponding figures of 31 March 2020 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the financial statements

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

Auditor-General's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I 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 public entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 4 – Efficient and quality dispute resolution and enforcement services	58 - 69

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
    - Programme 4 - Efficient and quality dispute resolution and enforcement services

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 42 to 73 for information on the achievement of planned targets for the year and management's explanations provided for the under/over-achievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 4 - Efficient and quality dispute resolution and enforcement services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. The material finding on compliance with specific matters in key legislation is as follows:

Annual Financial Statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as irrequired by section 55(1) (b) of the PFMA. Material misstatements of commitments identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
25. In connection with my audit, my 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 my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
28. Reconciliations and supporting schedules were not adequately reviewed for commitments as evidenced by a material adjustment in the financial statements and non-compliance with section 51 (b) of the PFMA.
29. Controls implemented were not sufficient to prevent and monitor non-compliance with key legislation.

Auditor - General

Pretoria
31 July 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure - Auditor-General's Responsibility for the Audit

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

Financial statements

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

Communication with those charged with governance

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

Statement of Financial Position

Figures in Rand	Note(s)	2021	2020 Restated*
ASSETS			
Current Assets			
Inventories	3	2 641 181	1 858 148
Receivables from exchange transactions	4	3 851 936	1 518 007
Prepayments	5	2 040 805	1 358 388
Cash and cash equivalents	6	69 367 452	96 657 241
		77 901 374	**101 391 784**
Non-Current Assets			
Property, plant and equipment	7	36 020 799	30 874 168
Intangible assets	8	13 599 761	16 990 593
		49 620 560	**47 864 761**
Total Assets		**127 521 934**	**149 256 545**
Liabilities			
Current Liabilities			
Finance lease obligation	9	756 867	412 013
Operating lease liability	10	4 360 244	2 272 833
Payables from exchange transactions	11	69 930 452	77 721 290
Provisions	12	2 596 328	20 822 291
		77 643 891	**101 228 427**
Non-Current Liabilities			
Finance lease obligation	9	1 124 828	70 444
Operating lease liability	10	14 716 508	18 863 341
		15 841 336	**18 933 785**
Total Liabilities		**93 485 227**	**120 162 212**
Net Assets		**34 036 707**	**29 094 333**
Accumulated surplus		34 036 707	29 094 333
Total Net Assets		**34 036 707**	**29 094 333**

* *See note 32*

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Services rendered	14	10 465 122	6 633 349
Other income	15	1 993 361	1 060 897
Interest received on investments	16	5 653 513	13 420 215
Total revenue from exchange transactions		**18 111 996**	**21 114 461**
Revenue from non-exchange transactions			
Transfer revenue			
Government grant and subsidies	17	935 810 000	976 810 000
Conscientious objector funding	18	1 338 917	1 920 742
Total revenue from non-exchange transactions		**937 148 917**	**978 730 742**
Total revenue	13	**955 260 913**	**999 845 203**
Expenditure			
Employee related costs	19	(591 273 239)	(546 669 087)
Administration expense	20	(158 339 145)	(162 301 905)
Depreciation and amortisation	21	(28 343 651)	(29 952 783)
Finance costs	22	(161 711)	(305 811)
Bargaining councils subsidies	23	(3 644 593)	(6 909 732)
Loss on foreign exchange		(19 352)	(1 350 584)
Loss on disposal of assets		(43 827)	(181 692)
Operating expenses	24	(19 780 391)	(51 836 804)
Case disbursement expense	25	(148 712 630)	(254 354 733)
Total expenditure		**(950 318 539)**	**(1 053 863 131)**
Surplus (deficit) for the year		**4 942 374**	**(54 017 928)**

* *See note 32*

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	86 018 104	86 018 104
Prior year adjustments (note 32)	(2 905 843)	(2 905 843)
Balance at 01 April 2019 as restated*	**83 112 261**	**83 112 261**
Deficit for the year	(54 017 928)	(54 017 928)
Balance at 01 April 2020	**29 094 333**	**29 094 333**
Surplus for the year	4 942 374	4 942 374
Balance at 31 March 2021	**34 036 707**	**34 036 707**

* *See note 32*

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Services rendered		8 131 193	5 751 811
Government grant and subsidies		935 810 000	976 810 000
Interest received on investments		5 653 513	13 420 215
Other income		1 993 361	1 060 897
Conscientious objector funding		1 338 917	1 920 742
		952 926 984	**998 963 665**
Payments			
Employee related costs		(597 751 029)	(554 211 751)
Suppliers		(351 500 570)	(486 899 508)
Finance costs		(161 711)	(305 811)
		(949 413 310)	**(1 041 417 070)**
Net cash flows from operating activities	27	**3 513 674**	**(42 453 405)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(16 009 800)	(18 487 469)
Purchase of intangible assets	8	(14 133 479)	(20 071 716)
Net cash flows from investing activities		**(30 143 279)**	**(38 559 185)**
Cash flows from financing activities			
Finance lease		1 399 238	(3 137 066)
Operating lease		(2 059 422)	518 172
Net cash flows from financing activities		**(660 184)**	**(2 618 894)**
Net decrease in cash and cash equivalents		**(27 289 789)**	**(83 631 484)**
Cash and cash equivalents at the beginning of the period		96 657 241	180 288 725
Cash and cash equivalents at the end of the year	6	**69 367 452**	**96 657 241**

* *See note 32*

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Services rendered	11 154 457	(1 419 347)	9 735 110	10 465 122	730 012	38
Other income	2 125 543	(2 125 543)	–	1 993 361	1 993 361	38
Interest received on investments	15 187 000	(7 601 144)	7 585 856	5 653 513	(1 932 343)	38
Total revenue from exchange transactions	**28 467 000**	**(11 146 034)**	**17 320 966**	**18 111 996**	**791 030**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grant and subsidies	1 025 990 000	(90 180 000)	935 810 000	935 810 000	–	38
Conscientious objector funding	2 000 000	–	2 000 000	1 338 917	(661 083)	38
Total revenue from non-exchange transactions	**1 027 990 000**	**(90 180 000)**	**937 810 000**	**937 148 917**	**(661 083)**	
Expenditure						
Employee related costs	(637 667 710)	47 127 120	(590 540 590)	(591 273 239)	(732 649)	38
Administration expenses	(174 892 942)	15 942 011	(158 950 931)	(158 339 145)	611 786	38
Depreciation and amortisation	(6 347 035)	(15 757 642)	(22 104 677)	(28 343 651)	(6 238 974)	38
Finance costs	(407 500)	14 080	(393 420)	(161 711)	231 709	38
Bargaining councils subsidies	(5 373 125)	2 067 983	(3 305 142)	(3 644 593)	(339 451)	38
Operating expenses	(70 062 794)	37 952 973	(32 109 821)	(19 780 391)	12 329 430	38
Case disbursement expenses	(159 705 895)	11 979 508	(147 726 387)	(148 712 630)	(986 243)	38
Total expenditure	**(1 054 457 001)**	**99 326 033**	**(955 130 968)**	**(950 255 360)**	**4 875 608**	
Surplus rolled over	–	–	–	–	–	
Loss on foreign exchange	–	–	–	(19 352)	(19 352)	38
Loss on disposal of assets	–	–	–	(43 827)	(43 827)	38
	–	–	–	**(63 179)**	**(63 179)**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	–	–	–	**4 942 374**	**4 942 374**	

Accounting policies

1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period. Where the accounting policies have been amended, this has been disclosed as such.

1.1 Going concern assumption

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

1.2 Materiality

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

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

1.3 Significant judgements and sources of estimation uncertainty

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:

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

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

Allowance for slow moving, damaged and obsolete stock
An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to lower of cost or net realisable value is subsequently provided.

The write down is included in surplus or deficit.

Accounting policies

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

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

Useful lives of property, plant and equipment and intangible assets

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

Allowance for doubtful debts
On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Litigation costs
Litigation costs are based on the estimated legal fees, based on the probable costs payable on completion of cases against the CCMA.

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

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

1.4 Property, plant and equipment

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

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

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

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

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

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

Accounting policies

1.4 Property, plant and equipment (continued)

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

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

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

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	3-30 years
Motor vehicles	Straight-line	3-10 years
Office equipment	Straight-line	2-30 years
IT equipment	Straight-line	2-20 years
Leased assets	Straight-line	Lease period

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

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

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

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

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

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

Accounting policies

1.4 Property, plant and equipment (continued)

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	1-14 years

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

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

Accounting policies

1.5 Intangible assets (continued)

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

Intangible assets are derecognised:

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

1.6 Inventories

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

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

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

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

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

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

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

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

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

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

1.7 Prepayments

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

1.8 Financial instruments

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

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

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity’s statement of financial position.

Accounting policies

1.8 Financial instruments (continued)

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

Accounting policies

1.8 Financial instruments (continued)

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

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

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost

Receivables from exchange transactions Financial asset measured at amortised cost

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

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

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

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

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

Subsequent measurement of financial assets and financial liabilities
The entity measures all financial assets and financial liabilities after initial recognition using the following category:

- Amortised cost

All financial assets measured at amortised cost, are subject to an impairment review.
If the CCMA determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment.

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

Reclassification
The CCMA does not reclassify a financial instrument while it is issued or held unless it is:

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

Accounting policies

1.8 Financial instruments (continued)

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

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

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

Derecognition

Financial assets

The CCMA derecognises financial assets using trade date accounting.

The CCMA derecognises a financial asset only when:

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

Financial liabilities

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

Presentation

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

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

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

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

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Carrying amount is the amount at which an asset is recognised in the statement of financial position.

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

Accounting policies

1.9 Statutory receivables (continued)

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

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

Recognition
The entity recognises statutory receivables as follows:

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

Initial measurement
The entity initially measures statutory receivables at their transaction amount.

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

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

Derecognition
The entity derecognises a statutory receivable, or a part thereof, when:

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

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

1.10 Leases

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

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

Accounting policies

1.10 Leases (continued)

Finance leases – lessee

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

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

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

Operating leases – lessee

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

1.11 Impairment of cash-generating assets

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

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

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

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

Designation

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

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

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

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

Identification

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

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

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

Value in use

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

Accounting policies

1.11 Impairment of cash-generating assets (continued)

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

Basis for estimates of future cash flows

In measuring value in use, the entity:

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

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Accounting policies

1.11 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

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

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

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

Reversal of impairment loss

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

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

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

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

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

Accounting policies

1.11 Impairment of cash-generating assets (continued)

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

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

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

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

1.12 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

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

Accounting policies

1.12 Impairment of non-cash-generating assets (continued)

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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

Accounting policies

1.12 Impairment of non-cash-generating assets (continued)

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

1.13 Provisions and contingencies

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

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

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

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

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

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

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

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

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

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

1.14 Accumulated surplus/(deficit)

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

Accounting policies

1.15 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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

Short-term employee benefits
Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

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

The expected cost of 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. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Accounting policies

1.15 Employee benefits (continued)

Post-employment benefits

Post-employment benefits: Defined contribution plans

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

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

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

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

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 Revenue from exchange transactions

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

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

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

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Accounting policies

1.17 Revenue from exchange transactions (continued)

Services rendered

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

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

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

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

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

Interest

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

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

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

1.18 Revenue from non-exchange transactions

Government grants are recognised as income over the periods necessary to match the grant with the related costs that they are intended to compensate.

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity 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.

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

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

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

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

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

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

Accounting policies

1.18 Revenue from non-exchange transactions (continued)

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

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

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.19 Finance costs

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

1.20 Tax

No provision has been made for income tax as the CCMA is exempt in terms of section 10(1)(cA)(b)(ii) of the Income Tax Act, 1962 (Act No. 58 of 1962).

1.21 Translation of foreign currencies

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Accounting Policies

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined in section 1 of the PFMA, as 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 period which the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Where the debt is found to be irrecoverable, the Accounting Authority may consider a write-off of the debt, in line with CCMA's Finance Management policy and the approved Delegation of Authority.

For details on fruitless and wasteful expenditure – Fruitless and wasteful expenditure refer to Note 36 .

1.24 Irregular expenditure

Irregular expenditure is defined in section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements, is recorded in the register and disclosed in the notes 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, is recorded in the register and disclosed in the notes 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 are 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 is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps are thereafter taken to recover the amount from the person concerned. If recovery is not possible, the accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The register is also updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant expenditure item, disclosed as such in the notes to the financial statements and updated accordingly in the register.

For details on irregular expenditure, refer to Note 37 – Irregular expenditure

Accounting Policies

1.25 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2020 to 31/03/2021.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.28 Bargaining councils subsidies

The CCMA provides subsidies to the bargaining councils which are accredited in terms of the LRA.

The cost of bargaining councils subsidies will be recognised as expenditure when the CCMA receives a completed claim form from the Councils on completed cases within the financial year the subsidies was awarded.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 34: Separate Financial Statements	01 April 2020	The impact of the is not material.
GRAP 35: Consolidated Financial Statements	01 April 2020	The impact of the is not material.
GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	The impact of the is not material.
GRAP 37: Joint Arrangements	01 April 2020	The impact of the is not material.
GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	The impact of the is not material.
GRAP 110: Living and Non Living Resources	01 April 2020	The impact of the is not material.
IGRAP 1: Applying the probability test on initial recognition (amendments)	01 April 2020	The impact of the is not material.
IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	The impact of the is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104: Financial Instruments	Not yet determined	Impact is currently being assessed.
Guideline on Accounting for landfill sites	Not yet determined	Unlikely there will be a material impact.
Directive 14 on The application of Standards of GRAP by public entities that apply IFRS® standards	01 April 2021	Unlikely there will be a material impact.

Notes to the Annual Financial Statements

3. Inventories

Figures in Rand	2021	2020 Restated*
Consumables	2 605 763	1 835 388
Spare parts	35 418	22 760
	2 641 181	**1 858 148**

Consumables consists of items such as toners, process manuals, COVID-19 related personal protective equipment and cleaning materials.

Spare parts were disclosed as part of consumables in the prior year. The note has been reclassified to disclose spare parts separately to assist with the fair presentation in the current year.

No inventory has been pledged as security.

Notes to the Annual Financial Statements

4. Receivables from exchange transactions

Figures in Rand	2021	2020 Restated*
Trade receivables	4 327 744	453 653
Other receivables	2 151 265	2 006 760
Provision for doubtful debts	(2 627 073)	(942 406)
	3 851 936	**1 518 007**

Trade and other receivables pledged as security
No trade and other receivables have been pledged as security.

Trade and other receivables past due but not impaired
Trade and other receivables which are less than 30 days past due are not considered to be impaired. At 31 March 2021, R1 181 078 (2020: R725 937) were less than 30 days and were not considered for impairment.

At 31 March 2021, R579 978 (2020: R435 756) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2021	2020 Restated*
60 days	–	55 989
Over 120 days	579 978	379 767
	579 978	**435 756**

Trade and other receivables impaired
As of 31 March 2021, trade and other receivables of R4 717 953 (2020: R1 298 720) were assessed for impairment. Where evidence of impairment is confirmed, the CCMA has estimated the impairment loss and accounted for it.

The amount of the provision was R2 627 073 as of 31 March 2021 (2020: R942 406).The ageing of these loans is as follows:

	2021	2020 Restated*
Trade receivables		
30 days	12 163	5 639
60 days	50 607	45 411
90 days	3 000 820	6 140
over 120 days	849 070	307 940
	3 912 660	**365 130**
Other receivables		
60 days	177 287	1 555
90 days	36	–
over 120 days	627 970	932 035
	805 293	**933 590**

Notes to the Annual Financial Statements

4. Receivables from exchange transactions (continued)

Figures in Rand	Trade receivables	Other receivables	Total
Reconciliation of trade and other receivables – 2021			
Trade and other receivables not past due	415 084	765 994	1 181 078
Trade and other receivables past due but not impaired	–	579 978	579 978
Trade and other receivables assessed for impairment	3 912 660	805 293	4 717 953
Impairment	(1 821 780)	(805 293)	(2 627 073)
	2 505 964	**1 345 972**	**3 851 936**
Reconciliation of trade and other receivables – 2020			
Trade and other receivables not past due	88 522	637 415	725 937
Trade and other receivables past due but not impaired	–	435 756	435 756
Trade and other receivables assessed for impairment	365 130	933 590	1 298 720
Impairment	(8 816)	(933 590)	(942 406)
	444 836	**1 073 171**	**1 518 007**

	2021	2020 Restated*
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(942 406)	(992 746)
Provision for impairment	(1 684 667)	50 340
	(2 627 073)	**(942 406)**

Notes to the Annual Financial Statements

5. Prepayments

Figures in Rand	2021	2020 Restated*
Prepayments	**2 040 805**	**1 358 388**

Prepayments include prepaid licenses and subscriptions.

6. Cash and cash equivalents

Figures in Rand	2021	2020 Restated*
Cash and cash equivalents consist of:		
Cash on hand	43 871	51 087
Bank balances	6 830 218	3 849 706
Short-term deposits	62 493 363	92 756 448
	69 367 452	**96 657 241**
Cash and cash equivalents held by the CCMA, as a pledge account that is not available for use.	**1 009 701**	**976 547**

Notes to the Annual Financial Statements

7. Property, plant and equipment

	2021			2020		
	Cos / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	31 153 733	(23 499 825)	7 653 908	26 452 381	(21 256 795)	5 195 586
Motor vehicles	708 295	(622 452)	85 843	708 295	(512 145)	196 150
Office equipment	10 683 530	(5 688 674)	4 994 856	6 171 956	(5 116 022)	1 055 934
IT equipment	67 267 797	(46 467 560)	20 800 237	64 663 337	(41 550 862)	23 112 475
Leasehold improvements	3 522 622	(2 874 690)	647 932	3 564 702	(2 673 425)	891 277
Leased motor vehicles	2 105 884	(350 979)	1 754 905	35 034	(11 678)	23 356
Leased office equipment	218 188	(135 070)	83 118	1 176 409	(777 019)	399 390
	115 660 049	**(79 639 250)**	**36 020 799**	**102 772 114**	**(71 897 946)**	**30 874 168**

Notes to the Annual Financial Statements

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment as at 31 March 2021	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	5 195 586	4 915 829	(10 769)	–	(2 446 738)	7 653 908
Motor vehicles	196 150	–	–	–	(110 307)	85 843
Office equipment	1 055 934	4 678 760	(6 847)	1 803	(734 794)	4 994 856
IT equipment	23 112 475	3 248 452	(21 242)	(1 802)	(5 537 646)	20 800 237
Leasehold improvements	891 277	251 656	(4 630)	–	(490 371)	647 932
Leased motor vehicles	23 356	2 105 884	(1)	–	(374 334)	1 754 905
Leased office equipment	399 390	809 219	(315)	(1)	(1 125 175)	83 118
	30 874 168	**16 009 800**	**(43 804)**	**–**	**(10 819 365)**	**36 020 799**

Notes to the Annual Financial Statements

7. Property, plant and equipment

Reconciliation of property, plant and equipment as at 31 March 2020	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	8 264 413	127 105	(67 056)	(1 681)	(3 127 195)	5 195 586
Motor vehicles	307 245	–	–	–	(111 095)	196 150
Office equipment	1 288 260	243 337	(19 983)	–	(455 680)	1 055 934
IT equipment	12 460 456	17 132 899	(94 398)	–	(6 386 482)	23 112 475
Leasehold improvements	1 141 656	86 035	(44)	–	(336 370)	891 277
Leased motor vehicles	46 125	35 034	(1)	–	(57 802)	23 356
Leased office equipment	3 422 802	863 158	(153)	–	(3 886 417)	399 390
Small value assets	(1 680)	–	–	1 680	–	–
	26 929 277	**18 487 568**	**(181 635)**	**(1)**	**(14 361 041)**	**30 874 168**

Notes to the Annual Financial Statements

7. Property, plant and equipment (continued)

Figures in Rand	2021	2020 Restated*
Assets subject to finance lease (Net carrying amount)		
Leased Motor Vehicles	1 754 905	23 356
Leased Office Equipment	83 118	399 390
	1 838 023	**422 746**
Repairs and maintenance		
Property, plant and equipment	**2 479 158**	**3 803 620**

No item of property, plant and equipment has been pledged as security

8. Intangible assets

	2021 Cost/ Valuation	2021 Accumulated amortisation and accumulated impairment	2021 Carrying value	2020 Cost/ Valuation	2020 Accumulated amortisation and accumulated impairment	2020 Carrying value
Computer software	35 904 381	(22 304 620)	13 599 761	40 439 081	(23 448 488)	16 990 593

Reconciliation of intangible assets as at 31 March 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	16 990 593	14 133 479	(25)	(17 524 286)	13 599 761

Reconciliation of intangible assets as at 31 March 2020

	Opening balance	Additions	Disposals	Computer software under development	Amortisation	Total
Computer software	12 510 774	19 654 817	(10)	416 900	(15 591 888)	16 990 593

Cumulative expenditure recognised in the carrying value of intangible assets

	2021	2020
Computer software under development	–	**416 900**

No intangible assets have been pledged as security.

Notes to the Annual Financial Statements

9. Finance lease obligation

Figures in Rand	2021	2020 Restated*
Minimum lease payments due		
– within one year	890 326	489 363
– in second to fifth year inclusive	1 193 624	84 735
	2 083 950	574 098
less: future finance charges	(202 255)	(91 641)
Present value of minimum lease payments	**1 881 695**	**482 457**
Present value of minimum lease payments due		
– within one year	756 867	412 013
– in second to fifth year inclusive	1 124 828	70 444
	1 881 695	**482 457**
Non-current liabilities	1 124 828	70 444
Current liabilities	756 867	412 013
	1 881 695	**482 457**

It is entity policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was 9% (2020: 10%).

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 7 and 29 for additional information.

10. Operating lease liability

	2021	2020 Restated*
Current liability	4 360 244	2 272 833
Non-current liability	14 716 508	18 863 341
	19 076 752	**21 136 174**

Refer to Note 29 for additional information

Notes to the Annual Financial Statements

11. Payables from exchange transactions

Figures in Rand	2021	2020 Restated*
Trade payables	26 691 136	45 709 291
Payroll creditors	41 490 342	29 742 169
Workmen compensation	1 748 974	2 269 830
	69 930 452	**77 721 290**

12. Provisions

Reconciliation of provisions – As at 31 March 2021	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Audit fees	2 073 795	3 085 467	(2 470 557)	(92 377)	2 596 328
Performance incentives	18 620 000	–	(18 620 000)	–	–
Provision for landlord payment	128 496	–	–	(128 496)	–
	20 822 291	**3 085 467**	**(21 090 557)**	**(220 873)**	**2 596 328**

The provision for audit fees is based on the assumption that CCMA will incur future audit fees according to the audit engagements.

Reconciliation of provisions – As at 31 March 2020	Opening Balance	Additions	Utilised during the year	Total
Audit fees	2 567 108	3 186 874	(3 680 187)	2 073 795
Performance incentives	29 854 173	18 620 000	(29 854 173)	18 620 000
Provision for landlord payment	–	128 496	–	128 496
	32 421 281	**21 935 370**	**(33 534 360)**	**20 822 291**

Notes to the Annual Financial Statements

13. Total revenue

Figures in Rand	2021	2020 Restated*
Services rendered	10 465 122	6 633 349
Other income	1 993 361	1 060 897
Interest received on Investment	5 653 513	13 420 215
Government grants and subsidies	935 810 000	976 810 000
Conscientious objector funding	1 338 917	1 920 742
	955 260 913	**999 845 203**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Services rendered	10 465 122	6 633 349
Other income	1 993 361	1 060 897
Interest received on Investment	5 653 513	13 420 215
	18 111 996	**21 114 461**
The amount included in revenue arising from non-exchange transactions is as follows:		
Government grants and subsidies	935 810 000	976 810 000
Conscientious objector funding	1 338 917	1 920 742
	937 148 917	**978 730 742**

14. Services rendered

Services rendered	**10 465 122**	**6 633 349**

15. Other income

Insurance and other recoveries	**1 993 361**	**1 060 897**

16. Interest received on Investments

Investments	**5 653 513**	**13 420 215**

17. Government grants and subsidies

Government grants and subsidies	**935 810 000**	**976 810 000**

18. Conscientious objector funding

Sheriff funding	**1 338 917**	**1 920 742**

Notes to the Annual Financial Statements

19. Employee related costs

Figures in Rand	2021	2020 Restated*
Basic	441 934 493	402 746 718
Performance incentives	10 165 535	18 620 000
Medical aid – company contributions	50 975 295	46 789 486
UIF	1 807 530	1 740 226
Leave pay provision charge	8 003 758	6 077 703
WCA	904 748	1 148 577
Provident fund	73 182 027	65 196 341
13th cheque	3 893 148	3 804 870
Other staff costs	406 705	545 166
	591 273 239	**546 669 087**

Notes to the Annual Financial Statements

19. Employee related costs (continued)

Key Management Remuneration - 2021	Emoluments	Performance Bonuses	Cellphone allowance	Contri-butions to UIF, Medical and Pension Funds	Reimbursive allowance	Total
Director: C Morajane	3 125 996	890 250	–	516 018	–	4 532 264
Chief Audit Executive: Z Hlophe	2 302 196	290 740	14 400	378 369	–	2 985 705
Executive Governance and Strategy: A Mokgadinyane	2 202 760	347 593	14 400	362 298	–	2 927 051
Chief Financial Officer: K Mashaakgomo	2 202 760	278 074	14 400	362 105	–	2 857 339
National Senior Commissioner: Marius Kotze	2 202 760	347 593	14 400	361 913	–	2 926 666
Acting Director: Marius Kotze	36 963	–	–	–	–	36 963
	12 073 435	**2 154 250**	**57 600**	**1 980 703**	**–**	**16 265 988**

The CCMA macrostructure was reviewed and updated effective 1 April 2020, reducing key management from ten (10) to six (6).

The position for Executive: Shared Services was vacant for the financial year. N Nkosi acted in the position from 1 April to 30 June, and M Ncanana acted in the position from 1 July to the current. No remuneration was paid for the acting roles in line with the Human Resource Manual.

M Kotze acted as the Acting Director during C Morajane's leave of absence.

Notes to the Annual Financial Statements

19. Employee related costs (continued)

Key Management Remuneration - 2020	Emoluments	Performance Bonuses	Cellphone allowance	Contri- butions to UIF, Medical and Pension Funds	Reimbursive allowance	Total
2020						
Director: C Morajane	2 955 706	1 540 991	–	512 149	68 473	5 077 319
Chief Audit Executive: Z Hlophe	2 100 557	629 075	14 400	450 783	–	3 194 815
Executive Legal Services: RN Moeketsi	832 180	507 933	6 000	161 918	–	1 508 031
Acting Executive Legal Services: EG Hambidge	1 637 644	–	13 200	9 378	–	1 660 222
Executive Governance and Strategy: A Mokgadinyane	1 826 078	–	13 200	392 793	10 713	2 242 784
Acting Executive Governance and Strategy: A Mokgadinyane	33 860	–	1 200	–	–	35 060
Chief Financial Officer: K Mashaakgomo	2 025 375	–	14 400	413 200	5 163	2 458 138
National Senior Commissioner: Collective Bargaining and Outreach: H Docrat	2 076 623	508 981	14 400	502 438	13 787	3 116 229
Executive Corporate Services: M Ncanana	2 159 513	508 981	14 400	420 311	7 913	3 111 118
National Senior Commissioner: Dispute Resolution: C Small	870 394	–	6 000	149 264	86 553	1 112 211
Acting National Senior Commissioner: Dispute Resolution: M Kotze	158 907	–	6 409	–	–	165 316
National Senior Commissioner: Dispute Resolution: M Kotze	324 854	–	2 400	81 459	–	408 713
Acting National Senior Commissioner: Dispute Prevention and Training: L Warwick	138 759	–	7 157	–	–	145 916
Acting National Senior Commissioner: Dispute Prevention and Training: W Thomson	918 148	–	6 000	892	–	925 040
Chief Information Officer: N Nkosi	2 001 711	–	14 400	436 646	24 009	2 476 766
	20 060 309	**3 695 961**	**133 566**	**3 531 231**	**216 611**	**27 637 678**

Notes to the Annual Financial Statements

20. Administration expenses

Figures in Rand	2021	2020 Restated*
General administration	83 800 509	90 027 061
Rental office building leases (Operating lease)	74 538 636	72 274 844
	158 339 145	**162 301 905**

21. Depreciation and amortisation

Property, plant and equipment	10 819 365	14 360 994
Intangible assets	17 524 286	15 591 789
	28 343 651	**29 952 783**

22. Finance costs

Finance leases	**161 711**	**305 811**

Total interest, calculated using 9% on financial instruments not at fair value through surplus or deficit.

23. Bargaining councils subsidies

Bargaining councils subsidies	**3 644 593**	**6 909 732**

24. Operating expenses

Advertising	128 214	316 492
Cleaning	8 556 682	5 730 201
Computer expenses	2 976 414	5 869 973
Consulting and professional fees	677 366	2 107 387
Other operating expenses	5 221 724	12 901 149
Pot plants	205 703	309 091
Research and development costs	12 551	62 757
Software expenses	426 729	1 514 537
Travel – local	1 573 674	21 720 772
Travel – overseas	1 334	1 269 244
Rental other	–	35 201
	19 780 391	**51 836 804**

25. Case disbursement expenses

Travel and accommodation	10 308 767	25 436 314
Sherrif fees	6 056 388	5 289 345
Part time commissioner fees	131 595 628	221 165 768
Other related costs	751 847	2 463 306
	148 712 630	**254 354 733**

Notes to the Annual Financial Statements

26. Change in accounting estimate

The useful life of some property, plant, and equipment was re-assessed and increased at the reporting date in line with the Standards of GRAP.

The effect of the revision for the financial year 2020/21 is a decrease in depreciation expenditure by an amount of R7,1 million.

27. Cash generated from (used in) operations

Figures in Rand	2021	2020 Restated*
Surplus (deficit) adjustments for:	4 942 374	(54 017 928)
Depreciation and amortisation	28 343 651	29 952 783
Loss on sale of assets	43 827	181 692
Loss on foreign exchange	19 352	1 350 584
Movement in provisions relating to employees	(18 620 000)	(11 234 173)
Movement in provisions relating to suppliers	394 037	(364 817)
Increase in payroll creditors	11 748 173	3 509 817
Provision for impairment	1 684 667	(50 340)
Changes in working capital:		
Inventories	(783 033)	227 721
Receivables from exchange transactions	(4 018 596)	(831 198)
Prepayments	(682 417)	(927 469)
Payables from exchange transactions	(19 558 361)	(10 250 077)
	3 513 674	**(42 453 405)**

28. Financial instruments disclosure

Categories of financial instruments as at 31 March 2021	At amortised cost	Total
Financial assets		
Cash and cash equivalents	69 367 452	69 367 452
Receivables from exchange transactions	3 851 936	3 851 936
	73 219 388	**73 219 388**
Financial liabilities		
Finance lease liabilities	1 881 695	1 881 695
Payables from exchange transactions	69 930 452	69 930 452
	71 812 147	**71 812 147**

Notes to the Annual Financial Statements

28. Financial instruments disclosure (continued)

Categories of financial instruments as at 31 March 2020	At amortised cost	Total
Financial assets		
Cash and cash equivalents	96 657 241	96 657 241
Receivables from exchange transactions	1 518 007	1 518 007
	98 175 248	**98 175 248**
Financial liabilities		
Finance lease liabilities	482 457	482 457
Payables from exchange transactions	77 721 290	77 721 290
	78 203 747	**78 203 747**

29. Commitments

	2021	2020 Restated*
Authorised capital expenditure		
Approved and contracted for		
• Property, plant and equipment	4 838 113	9 992 541
• Intangible assets	2 869 934	34 157 036
	7 708 047	**44 149 577**
Approved and not yet contracted for		
• Property, plant and equipment	4 334 838	–
• Intangible assets	11 919 965	1 219 773
	16 254 803	**1 219 773**
Total capital commitments		
Already contracted for but not provided for	7 708 047	44 149 577
Not yet contracted for and authorised by members	16 254 803	1 219 773
	23 962 850	**45 369 350**

Notes to the Annual Financial Statements

29. Commitments (continued)

Figures in Rand	2021	2020 Restated*
Authorised operational expenditure		
Approved and contracted for		
• Operational commitment within one year	36 165 312	25 220 180
• Operational commitment in second to fifth year	26 082 501	10 889 725
	62 247 813	**36 109 905**
Approved and not yet contracted for		
• Operational commitment within one year	2 691 643	458 974
• Operational commitment in second to fifth year	2 903 915	1 289 015
	5 595 558	**1 747 989**
Total operational commitments		
Already contracted for but not provided for	62 247 813	36 109 905
Not yet contracted for and authorised by members	5 595 558	1 747 989
	67 843 371	**37 857 894**
Total commitments		
Total commitments		
Authorised capital expenditure	23 962 850	45 369 350
Authorised operational expenditure	67 843 371	37 857 894
	91 806 221	**83 227 244**

Capital and Operational expenditure are financed by government grant received from National Treasury through the Department of Employment and Labour. The commitments represent approved purchase orders and contracts that are concluded at 31 March 2021, and will be financed by available cash facilities.

Changes to prior year balances have been explained under note 32.

Notes to the Annual Financial Statements

29. Commitments (continued)

Figures in Rand	2021	2020 Restated*
Operating leases – as lessee (expense)		
Minimum lease payments due		
Within one year	71 795 763	66 118 374
In second to fifth year inclusive	97 278 597	139 126 937
Later than five years	10 687 035	10 513 822
	179 761 395	**215 759 133**

Operating lease payments represent rentals payable by the CCMA for office space and parking. Rentals are smoothed over the lease term in accordance with the Standards of GRAP.
Changes to prior year balances have been explained under note 32.

Finance lease liability		
Minimum lease payments due		
Within one year	890 326	489 363
In second to fifth year inclusive	1 193 624	84 735
Finance charges	(202 255)	(91 641)
	1 881 695	**482 457**

Finance lease payments represents motor vehicles and office equipment.

30. Contingencies

30.1 Litigations

Claims of repudiation	17 033 379	18 200 000
Claims of services rendered	305 405	150 000
Labour matter	319 000	1 099 000
	17 657 784	**19 449 000**

Management assessed the possible obligations of the litigations and confirmed that they arose from past events. The resolution of the litigations is not wholly within the control of the CCMA and amounts reflected is the best estimates of the probable costs of settling the matters.

30.2 Cash surplus/deficit

Cash and Cash Equivalents	69 367 452	96 657 241
Add: Receivables	3 851 936	1 375 551
Less : Current Liabilities	(77 643 891)	(97 994 135)
	(4 424 503)	**38 657**

Notes to the Annual Financial Statements

30. Contingencies (continued)

During the financial year a cash deficit of R 4.4 million is reported, CCMA during the 2021/22 financial year have already embarked in cost containment and other cost re-prioritisation measures in order to absorb the cash deficit.

The prior year actual cash surplus of R39 thousand was approved by the National Treasury for the CCMA to retain during the 2020/21 financial year.

31. Related parties

Relationships	
Management	Governing Body Audit and Risk Committee Essential Services Committee Key management – Refer to note 19
Included in the Governing Body is government representatives	Mr Thembinkosi Mkalipi (appointed 1 December 2020) Ms Tshepo Mahlaela (appointed 1 December 2020) Ms Conny Mametja (appointed 1 December 2020) Ms Ntsoaki Mamashela (terminated 30 November 2020) Mr Virgil Seafield (terminated 30 November 2020) Ms Aggy Moiloa (terminated 30 November 2020)
Controlling entity	Department of Employment and Labour
Entities under common control	National Economic Development and Labour Council (Nedlac) Productivity South Africa (PSA) Compensation Fund (CF) Unemployment Insurance Fund (UIF) Sheltered Employment and Enterprises (SEE)
Bargaining Councils	There are 35 (31 March 2020: 35) bargaining councilswhich have been accredited by the CCMA in accordance with the LRA

Notes to the Annual Financial Statements

31. Related parties (continued)

Figures in Rand	2021	2020 Restated*
Related party transactions		
Revenue		
Unemployment Insurance Fund	5 955 315	–
Department of Employment and Labour	937 148 917	978 730 742
	943 104 232	**978 730 742**
Purchases from related parties		
Unemployment Insurance Fund	3 586 266	3 481 642
BC for Building Industry South & East Cape	3 559	650
BC for Building Industry (Cape of Good Hope)	103 929	384 290
BC for Clothing Industry	17 084	57 028
BC for for Civil Engineering Industry	108 200	227 701
NBC for the Chemical Industry	99 658	193 819
BC for Electrical Industry	–	29 231
BC For The Food Retail, Restaurant,Catering & Allied Trades	88 268	78 089
BC for Restaurant, Catering	81 862	253 131
BC for Furniture Bedding & Upholstery Industry	19 932	56 446
BC for The Hairdressing & Cosmetology	41 287	75 319
BC for Laundry Cleaning & Dyeing	–	10 052
NBC of the Leather Industry of SA	9 966	3 966
BC for Meat Trade	–	12 445
BC for Metal & Engineering Industry	570 896	1 290 132
BC for Motor Industry	668 418	826 750
NBC for The Road Freight Industry	249 144	1 005 167
BC for South African Road Passenger	113 183	193 273
Transnet Bargaining Council	52 676	46 532
BC for the Grain Industry	–	20 480
Education Labour Relations Council	–	34 427
BC Public Health and Social Development	33 456	208 385
BC for Public Service Coordinating	2 847	93 236
BC for Safety and Security Sectoral	–	106 295
BC for South African Local Government	–	330 526
BC for Statutory Council for Printing Newspaper & Packaging Industry	–	23 933
BC for Contract Cleaning Industry	59 767	–
BC for Furniture Manufacturing Industry of the Western Cape	8 542	–
Total	**5 918 940**	**9 042 945**

Notes to the Annual Financial Statements

31. Related parties (continued)

Figures in Rand	2021	2020 Restated*
Payable by CCMA		
BC for Electrical Industry	11 389	30 668
BC for Civil Engineering Industry	34 168	49 234
BC for Meat Trade	25 626	23 249
BC for Food Retail Restaurant, Catering & Allied Trades	19 932	19 146
BC for the Grain Industry	14 237	–
BC for The Hairdressing & Cosmetology	4 271	–
BC Public Health and Social Development	112 471	6 238
BC for Building Industry South & East Cape	–	1 368
BC for Public Service Coordinating	45 558	19 112
BC for Building Industry Cape of Good Hope	29 897	19 830
BC for the Clothing Industry	–	6 154
Education Labour Relations Council	46 270	–
BC for Furniture Bedding & Upholstery Industry	22 779	32 167
BC for Laundry Cleaning & Dyeing	3 559	–
BC for Metal & Engineering Industry	229 212	204 989
BC for Motor Industry	264 804	484 892
NBC for The Road Freight Industry	59 795	91 657
NBC for the Chemical Industry	23 491	17 779
NBC for The Leather Industry of SA	712	4 103
BC for South African Local Government	153 757	224 964
BC for Statutory Council for Printing Newspaper & Packaging Industry	38 439	12 992
BC for South African Road Passenger	41 999	23 989
BC for Safety and Security Sectoral	56 947	23 933
BC For The Food Retail, Restaurant,Catering & Allied Trades	7 830	7 522
Transnet Bargaining Council	15 660	22 565
BC for Contract Cleaning Industry	40 575	19 146
BC for Furniture Manufacturing Industry of the Western Cape	4 271	–
BC for Building Industry (North and West Boland)	2 847	–
NBC for the Sugar Manufacturing and Refining Industry	1 424	2 735
Compensation Fund	1 748 974	2 269 830
Total	**3 060 894**	**3 618 262**

Notes to the Annual Financial Statements

31. Related parties (continued)

Figures in Rand	2021	2020 Restated*
Governing Body members		
E Ngutshane: Chairperson (appointed 1 December 2020)	49 371	–
MJ Ledwaba: Chairperson (terminated 31 July 2020)	77 834	276 625
S Lukhele: Organised Business Representative (continued)	196 837	299 123
B Ntshalintshali: Organised Labour Representative (continued)	177 056	212 365
GT Esitang: Organised Labour Representative (terminated 30 November 2020)	–	54 928
L Trentini :Organised Business Representative (terminated 30 November 2020)	56 424	109 170
N Moloto: Organised Labour Representative (continued)	194 049	178 604
IK Moyane: Organised Business Representative (continued)	144 306	141 264
R Ajam: Organised Labour Representative (appointed 1 December 2020)	27 935	–
S Leyden: Organised Business Representative (appointed 1 December 2020)	26 148	–
	949 960	**1 272 079**
Essential Services Committee members		
L Bono	1 190 972	1 280 789
MJ Nkopane	714 147	848 949
NY Memani	216 471	422 727
A Gildenhuys	172 444	253 565
CK Marule	231 147	358 398
M Ndaba	242 154	342 698
AZ Ndlala	187 119	346 867
A Ranchod	282 513	490 503
	3 236 967	**4 344 496**
Audit and Risk Committee members		
V Pangwa (terminated 31 March 2021)	90 440	126 684
SD Mahlalela (deceased November 2020)	–	6 314
C Motau (terminated 31 March 2021)	68 789	93 118
R Clark (terminated 31 March 2021)	44 040	82 396
	203 269	**308 512**

Notes to the Annual Financial Statements

32. Prior-year adjustments

Below are those items contained in the statement of financial position, statement of financial performance and disclosure notes that have been affected by prior-year adjustments and reclassifications:

Statement of financial position 2020	As previously reported	Correction of error	Restated
Receivables from exchange transactions	1 375 551	142 456	1 518 007
Prepayments	1 442 763	(84 375)	1 358 388
Payables from exchange transactions	(74 486 998)	(3 234 292)	(77 721 290)
Accumulated surplus	(32 270 544)	3 176 211	(29 094 333)
	(103 939 228)	**–**	**(103 939 228)**

Statement of financial performance 2020	As previously reported	Correction of error	Re-classification	Restated
Services rendered	(6 456 280)	(177 069)	–	(6 633 349)
Government grant and subsidies	(978 730 742)	–	1 920 742	(976 810 000)
Conscientious objector funding	–	–	(1 920 742)	(1 920 742)
Administration expenses	162 714 274	(412 369)	–	162 301 905
Bargaining councils subsidies	5 846 443	1 063 289	–	6 909 732
Case disbursement expense	–	5 281 855	249 072 878	254 354 733
Operating expenses	306 395 020	(5 485 338)	(249 072 878)	51 836 804
	(510 231 285)	**270 368**	**–**	**(509 960 917)**

Explanation of errors
Receivables from exchange transactions, Rendering of services

Errors identified was as a result of revenue from rendering of services and other income accounted for in the incorrect accounting period. These errors identified had an impact on the receivables from exchange transactions, rendering of services and accumulated surplus.

Prepayments and operating expenses
Errors identified were as a result of the prepayments incorrectly classified as operating expenses.

Payables from exchange transactions, administration expenses, case disbursement expenses and operating expenses and bargaining councils subsidies
Administration expenses, case disbursement expenses and operating expenses and bargaining councils subsidies were not accounted for in the correct accounting period. These errors had an impact on the payables from exchange transactions and accumulated surplus.

Conscientious objector funding, Government grant and subsidies, Case disbursement expenses and Operating expenses
Conscientious objector funding has been reclassified from Government grant and subsidies to enable fair presentation. Case disbursement expenses has been reclassified from operating expenses to enable fair presentation.

Notes to the Annual Financial Statements

32. Prior-year adjustments (continued)

Disclosure Notes

Fruitless and wasteful expenditure (Note 36)

Reconciliation Fruitless and Wasteful Expenditure	As previously reported	Correction of error	Restated
Opening Balance 1 April 2019	82 632	(53 550)	29 082
Correction of prior period error	80	(80)	–
Add: Occurred in the prior year	(12 293)	12 293	–
Add: Occurred in the current year	125 157	(26 595)	98 562
Less: Amounts not deemed to be fruitless and wasteful expenditure	(67 932)	67 932	–
Less: Amount recoverable	(127 644)	–	(127 644)
	–	–	–

The prior year balance contained cases that were assessed and confirmed not to be fruitless and Wasteful expenditure. These cases were not supposed to be taken into account when calculating the balance of fruitless and Wasteful expenditures guided by the National Treasury Fruitless and Wasteful Expenditure Framework.

Irregular expenditure (Note 37)

Reconciliation Fruitless and Wasteful Expenditure	As previously reported	Correction of error	Restated
Opening Balance 1 April 2019	80 017 435	(280 143)	79 737 292
Add: Occurred in the current year	18 993	(3 133)	15 860
Less: Prior year amounts not condoned and removed	(280 143)	280 143	–
Less: Current year amounts not condoned and remove	(3 133)	3 133	–
	79 753 152	**–**	**79 753 152**

The prior year balance contained cases that were assessed and confirmed not to be irregular expenditure. These cases were not supposed to be taken into account when calculating the balance of Irregular Expenditure as guided by the National Treasury Irregular Expenditure Framework.

Commitments (Note 29)	As previously disclosed	Correction of error	Restated
Authorised capital expenditure	44 580 544	788 806	45 369 350
Authorised operational expenditure	37 268 000	589 894	37 857 894
	81 848 544	**1 378 700**	**83 227 244**

Commitment balance was restated as a result of incorrect classification between capital and operational expenditure. Furthermore, expenditure was incorrectly captured for some of the contracts recorded in the register in the prior year.

Notes to the Annual Financial Statements

32. Prior-year adjustments (continued)

Operating lease liability under commitments (Note 29)	As previously disclosed	Correction of error	Restated
Minimum lease payment due within one year	66 636 399	(518 025)	66 118 374
Minimum lease payment due in the second to firth year	142 178 302	(3 051 365)	139 126 937
Minimum lease payment due after five years	10 687 035	(173 213)	10 513 822
	219 501 736	**(3 742 603)**	**215 759 133**

Adjustments in minimum lease payments were due to misstatements in the prior year as a result of either incorrect or not including lease payments that were supposed to be considered.

Related party transaction (Note 31)
Purchases from related parties

Essential Services Committee Members	As previously disclosed	Correction of error	Restated
Bono L – ESC	1 310 889	(30 100)	1 280 789

Payable by CCMA			
BC for Electrical Industry	–	30 668	30 668
BC for Civil Engineering Industry	–	49 234	49 234
BC For Restaurant, Catering & Allied Trade	–	19 146	19 146
BC for Public Health and Social Development	–	6 238	6 238
BC for Building Industry South & East Cape	–	1 368	1 368
BC for Public Service Coordinating	–	19 112	19 112
BC for Building Industry (Cape of Good Hope)	13 676	6 154	19 830
BC for Furniture Bedding & Upholstery Industry	–	32 167	32 167
BC for Metal & Engineering Industry	–	204 989	204 989
BC for Motor Industry	229 073	255 819	484 892
NBC for the Road Freight Industry	–	91 657	91 657
NBC for the Chemical Industry	–	17 779	17 779
NBC of the Leather Industry of SA	–	4 103	4 103
BC for South African Local Government	–	224 964	224 964
BC for South African Road Passenger	–	23 989	23 989
BC for Safety and Security Sectoral	–	23 933	23 933
BC for the Food Retail, Restaurant, Catering & Allied Trades	–	7 522	7 522
BC for Transnet	–	22 565	22 565
BC for Contract Cleaning Industry	–	19 146	19 146
NBC National for the Sugar Manufacturing and Refining Industry	–	2 735	2 735
	242 749	**1 063 288**	**1 306 037**

The adjustment is due to the invoices not recorded in the correct financial year in the accounting records. The adjustment to the Essential Services Committee remuneration is due to the use of an incorrect rate in the previous year to calculate the remuneration of the ESC member.

Notes to the Annual Financial Statements

33. Risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	756 867	1 124 827	–	–
Trade and other payables	69 930 452	–	–	–
At 31 March 2020				
Finance lease liability	412 013	70 444	–	–
Trade and other payables	77 721 290	–	–	–

Credit risk

The CCMA is exposed to credit risk on receivable from exchange transactions, cash and cash equivalent.

The CCMA only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluates credit risk to debtors on an ongoing basis. The collection rate and debtors' payment history are monitored continuously, in managing the credit risk of the CCMA. Furthermore, the risk is managed through agreed terms and condition of payment as set in the contractual agreement signed with the debtors. Overdue accounts are handed over for legal collection after 30 days of becoming due.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020 Restated*
Cash and cash equivalents	69 367 452	96 657 241
Receivables from exchange transactions	3 851 936	1 518 007

Market risk

Foreign exchange risk

The CCMA does not hedge foreign exchange fluctuations, thus it is impacted by the currency fluctuations between the South Africa Rand and United States Dollar. However, the impact of such, is continuously assessed and should it be material, hedging instruments might be required.

The CCMA Price risk is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market due to multiple factors.

Foreign currency exposure at statement of financial position date

As at 31 March 2021, the CCMA did not have outstanding liabilities in foreign currency.

Notes to the Annual Financial Statements

34. Going concern

We draw attention to the fact that at 31 March 2021, the entity had an accumulated surplus of R34 036 707 and that the entity's total liabilities exceed its assets by R34 036 707.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

35. Events after the reporting date

The term of the Audit and Risk Committee ended on 31 March 2021. New Audit and Risk Committee members have since been appointed effective 1 April 2021.

36. Fruitless and wasteful expenditure

Figures in Rand	2021	2020 Restated*
Opening balance as previously reported	–	29 082
Opening balance as restated	–	29 082
Add: Occurred in the curent year	34 536	98 562
Add: Occurred in the prior year and confirmed in the current year	48 595	–
Less: Amounts recoverable	(34 536)	(127 644)
Less: Amount written off	(48 595)	–
Closing balance	**–**	**–**

Details of Amounts recoverable

Classification of Incident		Number of incidents
Interest and penalties	27 176	2
Operating expenses	7 360	1
	34 536	**3**

Three (3) cases were assessed during the financial year 2020/21 and found to have contravened applicable laws and regulations. The Loss and Control Committee assessed and confirmed the root causes of these contraventions. Based on the root causes, the Loss and Control Committee recommended that the expenditure be recovered from the staff members implicated.

Details of Amounts written-off

Classification of amounts written off		Number of incidents
Interest	**48 595**	**2**

Two (2) cases were assessed during the financial year 2020/21 and found to have contravened applicable laws and regulations. The Loss and Control Committee assessed and confirmed the root causes of these contraventions. Management implemented the Loss and Control Committee recommendations to recover the amounts, however the amounts could not be recovered and were written off in line with National Treasury Regulation no 11.4.

Notes to the Annual Financial Statements

36. Fruitless and wasteful expenditure (continued)

Figures in Rand	2021	2020 Restated*
Details of Fruitless and Wasteful Expenditure under Assessment		
Classification of Incident		Number of cases under Assessment
Interest and penalties	1 153 981	3
Employee related costs	36 963	1
	1 190 944	**4**

Four (4) cases were identified in the financial year 2020/21 and recorded in the register. At year-end, these cases were still being assessed to confirm non-compliance with the applicable laws and regulations. The cases were not taken into account in arriving to the total fruitless and wasteful expenditure for the 2020/21 financial year.

37. Irregular expenditure

	2021	2020 Restated*
Opening balance as previously reported	91 202 721	79 737 292
Opening balance as restated	91 202 721	79 737 292
Add: Occurred in the prior year	410 094	544 734
Add: Movement	11 336 780	10 904 835
Add: Occurred in the current year	2 914	15 860
Less: Prior year amounts removed	(102 539 502)	–
Less: Prior year amounts condoned in the current year	(54 939)	–
Less: Current year amounts condoned in the current year	(2 914)	–
Closing balance	**355 154**	**91 202 721**
Analysis of awaiting condonation per age classification		
Current year	–	15 860
Prior year	355 154	91 186 861
	355 154	**91 202 721**

One (1) case was assessed and confirmed as irregular expenditure. The case is awaiting implementation of the Loss and Control Committee recommendations by management. Two (2) cases were confirmed as irregular expenditure by 31 March 2021; however, management implemented the Loss and Control recommendation after year-end. A request for condonation was also submitted and approved by the National Treasury after year-end.

Notes to the Annual Financial Statements

37. Irregular expenditure (continued)

Details of the irregular expenditure removed (not condoned)

Classification of Incident	Not condoned by (relevant Authority)	2021
Prior Year – Consulting and Professional fees	National Treasury	(1 592 114)
Prior Year – Intangible Asset	National Treasury	(4 687 544)
Prior Year – Operating Expenses	National Treasury	(14 745 039)
Prior Year – Operating Lease	National Treasury	(81 512 520)
Prior Year – Property, Plant and Equipment	National Treasury	(2 285)
		(102 539 502)

Forty-nine (49) cases were confirmed as irregular expenditure during the financial year 2019/20. The Loss and Control Committee assessed and confirmed the root causes of these contraventions. Based on the root causes, recommendations were made and implemented by management. A request for condonation was submitted to the National Treasury for condonation and declined. As guided by the National Treasury Irregular Expenditure Framework, management submitted the cases to the Governing Body to consider removing the cases from the irregular expenditure register. The Governing Body considered and approved that these cases be removed from the register in line with the framework.

Details of the irregular expenditure condoned

Incident	Condoned by (Relevant Authority)	2021
Prior Year-Operating Expenses	National Treasury	(54 939)
Current Year-Operating Expense	National Treasury	(2 914)
		(57 853)

Five (5) cases were assessed and determined by the Loss and Control Committee during the financial year 2020/21 and found to have contravened the applicable laws and regulations. The Loss and Control Committee assessed and confirmed the root causes of these contraventions. Based on the root causes, recommendations were made and implemented by management. A request for condonation was submitted to the National Treasury and approved. Recommendations were made by the Loss and Control Committee and these were implemented by management.

Details of irregular expenditure under determination

Classification of incident	Number of incidents	2021
Operating Expenses	**3**	**44 971**

Three (3) cases have been identified during the financial year 2020/21. At year-end, these cases were still being assessed to confirm non-compliance with the applicable laws and regulations. These cases were not taken into account in determining the total Irregular expenditure for the 2020/21 financial year, in line with the National Treasury Irregular Expenditure framework.

Notes to the Annual Financial Statements

38. Budget differences

Material differences between budget and actual amounts
In terms of Section 53(3) of the PFMA, a public entity may not accumulate surplus without approval from the National Treasury. The approval was sought and granted for the surplus funds related to 2019/20 financial year to an amount of R39 thousand. The surplus were used to adjust the mid-term budget for the financial year 2020/21.

Other changes made to the approved budget were as a result of budget reduction implemented by the Government in response to COVID-19 pandemic and expenditure reprioritisation to an amount of R90.1million. Expenditure was also reclassified within the various expenditure line items, to ensure that funds are efficiently and effectively used.

Revenue from exchange transactions
Services rendered was above projected income by R730 thousand (7.5%), due to discretionary services offered by the CCMA to the users.

Other Income was not budgeted (R1.9 million) (100%) for during the year due to the nature of the income received. The income include items such as insurance recoveries, staff debts etc.

Interest received on investment was lower the projected income by R1.9 million (25.5%) due to unfavourable interest received on funds invested with the commercial banks.

Revenue from non-exchange transactions
Government grant and subsidies, were received in line with the signed drawdown agreement with the Department of Employment and Labour for the 2020/21 financial year.

Conscientious Objectors Funding were below the projected budget by R 661 thousand(33.1%), due to reduced transfers from the Department of Labour and Employment.

Expenditure
The overall expenditure for the period ending 31 March 2021 was R950 million (99.5%) of the approved budget. R5.1million (0.5%) of the approved budget was not used during the 2020/21 financial year.

Employee related costs were more than the projected cost by R733 thousand (0.1%) due to increased leave expenditure for the financial year.

Administration expenditure reported a below the budget by R612 thousand (0.4%), due to saving on variable expenses such as printing not utilised as anticipated.

Depreciation and amortisation expenditure for the year exceeded the budget by R6.2 million (28.2%), due to underestimation of costs during the planning process.

Finance cost reported a saving of R232 thousand (58.9%) due to the lease contracts coming to an end in the financial year 2020/21.

Bargaining councils subsidies paid during the year exceeded the budget by R339 thousand (10.3%) due to more claims being submitted from the councils for reimbursement.

Case Disbursement expenditure for the year exceeded the budget by R986 thousand (0.7%). This is as result of variable costs such as venue hire, travel costs that were incurred to conduct cases in the remotes areas by the commissioners.

Operating expenditure reported a saving of R12.3 million (38.4%) due to the less delivery of training interventions for the period under review. Included in training interventions are other related costs such as catering and travelling that has been suspended due to COVID19 pandemic. The other contributing factor is less utilisation of software and building maintenance costs as well as litigation costs.

Loss on foreign exchange to an amount of R19 thousand (100%) was not budgeted for in the financial year 2020/21.

A loss on disposal on assets to an amount of R 44 thousand (100%) was not budgeted for in the financial year 2022/21.

Imvuselelo - The Revival

The 2020/21 - 2024/25 Strategy

"I am because you are"

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